

NEWS DIGEST

AGRICULTURAL ADJUSTMENT ADMINISTRATION

VOLUME 2, NUMBER 27

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★ APR 11 1935 ★

April 6, 1935

ONE MILLION FARMERS
SEEK CORN-HOG CONTRACTS

A million farmers have signed applications for 1935 corn-hog contracts, it is indicated by reports from 33 states received by the corn-hog section of the

Agricultural Adjustment Administration. An incomplete summary as of April 1, the deadline in the sign-up campaign, showed that more than 970,000 applications have already been received by workers in the corn-hog program. State extension directors estimate that an additional 35,000 applications have not yet been reported. The total number of signers for 1935 is slightly less in most states than in 1934 partly because small operators have dropped out of the program and partly because land covered by two or more contracts in 1934 is being covered by one contract this year. This slight decrease in number of contracts, however, has not materially affected the aggregate corn acreage covered by the control program. More than three-fourths of the million farmers who have signed corn-hog contract applications live in the 10 States known as the Corn Belt. Iowa reports 152,000 signers; Illinois, 98,000 and Missouri more than 93,000. Nebraska, with more than 88,000 applicants, reached its 1934 total number of contracts; while Minnesota with 75,000 applicants, is a little short of its 1934 total. The sign-up in the other Corn Belt states is as follows: Kansas, nearly 70,000; Indiana, 64,000; South Dakota, 63,000; Ohio, 49,000, and Wisconsin, 35,000. Other corn-hog states estimate that their total sign-up when all reports are in will be as follows: Oklahoma, 40,500; Texas, 37,000; Kentucky, 26,000; Tennessee, 20,000; North Dakota, 19,600; Michigan, 14,100; Colorado, 14,000; Arkansas, 13,200; Virginia, 7,500; Alabama, Oregon, and Idaho, about 4,000 each; California, 3,700; Montana, nearly 3,500; Washington, 3,000; Wyoming, 2,600; Pennsylvania and Utah, about 2,200 each; New York and West Virginia, each 1,400; and Georgia, 1,000. Though reports have not been received from Florida, Maryland, New Mexico, North Carolina, and South Carolina, it is expected that each of these states will have between 1,500 and 3,000 signers. With the signing of applications completed, local corn-hog committeemen will now prepare the contracts for the signature of the applicants. The date the first installment of benefit payment checks can be issued will depend upon the speed with which local and state corn-hog workers can prepare data, obtain signatures and otherwise prepare contracts for submittal to the Secretary of Agriculture. Rental and benefit payments under the program may total around 150 million dollars.

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RENTAL AND BENEFITS
EXCEED 630 MILLION

Disbursements in rental and benefit payments to farmers participating in adjustment programs total \$630,606,962, and expenditures in connection with

removal, utilization and conservation of surplus agricultural commodities total \$214,651,202, according to a report by the Agricultural Adjustment Administration since its organization on May 12, 1933, up to March 1, 1935. In addition, \$42,254,090 was expended in administration costs. Rental and benefit payments, cumulative for all programs, by commodities, are: cotton, \$221,182,638; wheat, \$158,625,961; tobacco, \$24,053,184; corn-hogs, \$223,453,054; and sugar, \$3,292,124. As of the same date as the report, the returns from processing and related taxes reached a cumulative total of \$731,982,189.

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LICENSES COULD APPLY
TO FEW SMALL RETAILERS

The Secretary of Agriculture, in a summary of his discussion at a press conference on April 3, concerning the possible effects of the pending Agricultural Adjustment Act licensing amendments upon retail stores, pointed out that it is inconceivable that the licenses, which he would be empowered to issue under the pending bill, could ever be applied to more than a negligible number of small retail stores, if to any. Licenses covering milk and its products, citrus fruits and vegetables coming from large commercial areas might, of course, be applied to large chain stores and their subsidiaries, if they were buyers of large quantities of these commodities direct from farmers. No license could be issued to any retail store, except to carry out a marketing plan set forth in a proposed marketing agreement, and then only under a set of conditions named in the amendment. Licenses could be imposed without the approval of handlers of 50 percent of the commodity covered by the marketing plan, only (1) if approved by the President, (2) if the Secretary finds that use of the license is the only practicable way to help growers meet their problem, and (3) if the issuance of the license is approved by at least two-thirds of the producers of the commodity by number and volume. The license must be made applicable only to the smallest area practicable to cover in the marketing plan. In view of these conditions, the absurdity of attempts of a few large processors to align retailers with them in their fight against the farmers' amendment is evident. The retailers do have an important interest, however, in the amendment in so far as it will tend to stimulate retail trade by increasing the buying power of farmers. Outside of the effect of farm recovery upon retail trade, the number of retailers who have any real interest in the proposed licensing amendment is insignificant.

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CANNING ASPARAGUS
AGREEMENT APPROVED

A marketing agreement for canning asparagus grown in California became effective April 3. The agreement is to be administered by a control committee of 11 members, 5 elected by growers, 5 by canners, and 1, neither a grower nor canner, chosen by the other 10. The chief features of the agreement are provisions for limitation of total pack and the establishment of grades for canning asparagus. The control committee will determine the approximate maximum number of cases of asparagus to be packed during the 1935 canning season, and fix the day and hour by which the maximum authorized output will have been packed. The canners are to receive at least 3 days' notice of the date set to cease canning. In order to encourage the movement of a greater volume of asparagus production to the fresh market, provision is made for correlating the volume of asparagus to be canned with the volume of asparagus shipped for fresh market purposes. Partial limitation of the pack is brought about by permitting only the three highest grades of asparagus to be packed. The limitation of total pack of asparagus is for the purpose of adjusting the supply of canning asparagus to the prospective market demand. In connection with this agreement the Agricultural Adjustment Administration advises California sparagus growers against making excessive new plantings and points out the desirability of removing old asparagus beds in order to prevent continued burdensome supplies in the immediate future and to preserve the quality of the asparagus crop. Administration officials added that unless asparagus growers take steps to prevent excessive new plantings and to remove old beds, it is not be be expected that marketing agreements can continuously be used effectively as a means of increasing returns to growers. This agreement does not undertake an adjustment of asparagus acreage since the Agricultural Adjustment Act does not now provide for production control for non-basic agricultural commodities.

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SUPPLEMENTARY CONTRACT
FOR WHEAT INCREASES

The 1935 supplementary wheat contract, which will be offered to farmers cooperating in the wheat adjustment program who wish to increase their 1935 acreage under

the recently announced modified program, has been approved by the Secretary of Agriculture. It sets forth the basis upon which acreage may be increased and provides that if farmers increase acreage this year, their acreage reduction for 1935 and 1936 must be made in 1936. It also provides that adjustment payments will be made to cooperating producers under the modified program, and continues the provisions of the present contract through 1936. Any wheat farmer who has a wheat allotment contract may sign the 1935 supplementary contract. The modified program applies primarily to spring wheat farmers but in the winter wheat states where wheat was planted for pasture in excess of a producer's acreage allotment, such wheat may be harvested for grain if the producer signs a supplementary wheat contract.

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ISSUE NEW TAX-EXEMPT
COTTON CERTIFICATES

Careful supervision of the exchange of Bankhead Act cotton tax-exemption certificates carried over from the 1934 season for certificates to be used in 1935-36 is planned by the Agricultural Adjustment Administration. New certificates will be accepted by collectors of internal revenue in payment of the ginning tax on cotton from the 1935-36 crop. Printed forms on which producers holding 1934-35 certificates may apply for their exchange for 1935-36 certificates will be available in the offices of county assistants in cotton production within a few weeks. These applications will be handled entirely through the county assistants' offices where full information regarding Bankhead Act allotments to producers in their respective counties is available. Applications for exchanges that are recommended by the county assistants will be forwarded to the Agricultural Adjustment Administration in Washington for approval. When an exchange is approved in Washington, the county assistant will deliver the new certificates to the producer. Tax-exemption certificates issued in exchange for the 1934-35 tax-exemption certificates will be of a distinctive type and color in order to facilitate identification. A complete record of all exchanges approved will be kept in both the local offices and in Washington.

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ORDER ISSUED ON
PUERTO RICAN SUGAR

Allotment of the amounts of raw and refined sugar which may enter the United States under the 1935 Puerto Rican direct-consumption quota, and the division of the refined sugar

allotment between the two refiners of the Island who have supplied this market in the past, has been made in a sugar order announced by the Agricultural Adjustment Administration. The order, Puerto Rico Sugar Order No. 3, divides the Puerto Rican direct-consumption quota of 113,119 short tons into the equivalent of 123,529 short tons raw value of refined sugar, and 9,590 short tons of raw sugar. A similar division was made when the direct consumption quota was established for the Philippine Islands. Direct-consumption refined sugar entering the United States from Puerto Rico has been supplied in the past by two companies. The present quota has been divided, by the order, between them on the basis of their past shipments. The order allots 118,217 short tons of the refined direct-consumption quota to the Puerto Rican American Sugar Refinery, Inc., and 5,312 short tons to the Central Guanica of South Puerto Rico Sugar Company. The quota on direct-consumption raw sugar has not been allotted among companies. The order specifies that Puerto Rican sugar entering the United States in 1935 against the direct-consumption sugar quota, must have been processed by mills having marketing allotments announced in February of this year.

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**TAX-PAYMENT WARRANTS
ON RICE TO BE ISSUED**

The Agricultural Adjustment Administration announced completion of arrangements to issue to eligible persons tax-payment warrants to cover the processing tax on rough rice produced in 1933 and 1934 and still in the hands of producers, processors and other persons. These tax-payment warrants will be accepted by the Bureau of Internal Revenue in payment of the processing tax. No floor stocks tax is levied under the amendment to the Agricultural Adjustment Act establishing the processing tax on rice. Tax-payment warrants will be issued on the basis of applications filed with an agent of the Secretary of Agriculture on specially prescribed forms containing all the information necessary to establish the applicant's eligibility to receive the warrant. Agents will be located at Houston, and Beaumont, Texas; Lake Charles, Crowley, and New Orleans, La.; Stuttgart, Ark.; Memphis, Tenn.; and Berkeley, Calif., Forms for making application for tax-payment warrants may be obtained from the agents. In addition to maintaining headquarters in the cities named, the agents will contact the various mills at periodical intervals so as to be available for the issuance of tax-payment warrants. The procedure for issuing and handling tax-payment warrants has been designed to eliminate the possibility of fraudulently securing or illegally using tax-payment warrants. Before issuing tax-payment warrants on rough rice in the possession of processors on March 31, 1935, it will be necessary to establish the weight of such rice held by each processor. The appraisal work connected with checking of inventories of processors will be directed by experienced warehouse inspectors from the Bureau of Agricultural Economics. It will also be necessary to check the prices received by producers for the rough rice in the possession of each processor on March 31, 1935, in order to establish whether or not the processor is eligible to receive tax-payment warrants. In the case of rough rice held by producers and other persons which was delivered for processing or sold to a processor on or after April 1, 1935, the warrants may be issued either to the producer or other person or to the processor, depending upon the circumstances of the sale and the nature of the application. In order for any rice producer to qualify for a tax-payment warrant covering rice he has produced, he must participate in the 1935 rice production adjustment program, if he is eligible to do so.

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**SOUTHERN RICE PACT
REPLACED BY PROGRAM** Termination of the marketing agreement for the southern rice milling industry became effective as of April 1, as a result of the inauguration of the 1935 production adjustment program

for rice in accordance with the DeRouen amendment to the Agricultural Adjustment Act. Termination of the agreement, however, does not in any way affect the carrying out of any incompletely completed obligations of the parties to the agreement. In order to liquidate incompletely completed business, the Secretary of Agriculture appointed the members of the millers' committee as trustees to receive all property held or controlled by the millers' committee, to collect all sums owed the committee and to liquidate all property held by the committee. After paying all outstanding obligations, the trustees are directed to distribute equitably all remaining funds held by them in accordance with the provisions of the agreement.

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**RICE PROCESSING
TAX REGULATIONS** Regulations for administration of the processing tax of 1 cent per pound on rough rice which, under the terms of the DeRouen amendment to the Agricultural Adjustment Act, became effective

April 1, were announced by the Agricultural Adjustment Administration. The regulations set forth the beginning of the first marketing year, the rate of the processing tax, and conversion factors for rice. Since the amendment provides that no floor stocks tax shall be applicable to rice, the conversion factors for articles processed wholly, in chief value, or partly from rice are to determine the amount of tax imposed or refunds to be made other than on floor stocks.

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PROVIDENCE MILK
LICENSE SUSPENDED

Owing to the decree on March 27 by the Judge of the District Federal Court in Rhode Island, which provided that the Agricultural Adjustment Administration license for the Providence sales area could not operate to regulate or control producers and distributors doing an intrastate business, the Providence license which became effective on April 1, 1934, has been suspended as of April 4, 1935 by order of the Secretary of Agriculture. The Agricultural Adjustment Administration believes that since the effect of the decision is to exclude from the pool all the milk produced in Rhode Island, which makes up a substantial portion of the volume of milk, equalization of returns to all producers on the same basis is impractical. Inasmuch as it is the purpose of equalization to return to each producer the same price for milk of the same quality and grade, so that all producers will be in the same position with respect to each other and with respect to the final use made of the milk by all distributors, it is not deemed advisable to attempt to continue the present license including the equalization features, under the terms laid down by the Court exempting intra-state milk. The license has been suspended rather than cancelled in order to leave the way open for further joint study of the problem which may follow as a result of future conferences between the Rhode Island state authorities and officials of the Agricultural Adjustment Administration. Prior to the existence of a Federal license in the Providence market as of September, 1933, the price paid producers for 3.7 percent milk averaged \$2.90 per hundred for Class 1 milk and \$1.05 per hundred for Class 2 milk. The average price return f.o.b. to producers during 1934 under the license was \$3.17 per hundred pounds for Class 1 milk and \$1.20 per hundred for Class 2 milk. During the two months of 1935 to March 1, the average price to producers was \$3.40 for Class 1 milk and \$1.66 for Class 2 milk per 100 pounds. The license provided a constant check on the use made of the milk by distributors through a market wide pool, supervised by a bonded market administrator.

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DENVER MILK
LICENSE AMENDED

Adjustments in the classification of milk sold by distributors on which payments to producers are based, a slight increase in the sales area under license, and a change in the regulation of payment for milk delivered by new producers are contained in an amended license for the Denver, Colo., milk sales area which became effective April 3.

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CALIFORNIA ASPARAGUS
AGREEMENT AND LICENSE

A new marketing agreement for fresh asparagus grown in California became effective April 3, and a license became effective April 6. The agreement and license replace the marketing agreement for handlers of fresh asparagus in California which had been in effect since March 17, 1934.

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EVAPORATED MILK PRICE
AMENDMENT CONTINUED

An order signed by the Acting Secretary of Agriculture has continued in effect through April 30, the amendment to the marketing agreement for the evaporated milk industry relating to maximum prices on case goods. Meanwhile a new marketing agreement, which has been tentatively approved by the Secretary of Agriculture, is in the hands of the industry for signature.

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NEWS DIGEST

AGRICULTURAL ADJUSTMENT ADMINISTRATION

VOLUME 2, NUMBER 28

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NATION-WIDE REFERENDUM FOR WHEAT GROWERS

In a nation-wide referendum on May 25, wheat growers of the United States will vote on whether they favor continuing wheat production adjustment measures under the

Agricultural Adjustment Act after 1935. The initial adjustment contracts between wheat growers and the Secretary of Agriculture, signed in 1933, expire with the close of the crop year 1935. Preliminary proposals for a new program to be considered by farmers in referendum vote follow the fundamental features and principles of the first program, with additional emphasis upon inducements to shift land in the drought and dust-storm area from wheat production to grass. Like the 1933-1935 program, the plan now under discussion would be based upon voluntary contracts signed by farmers, in which they would agree to adjust their wheat acreage to meet consumption needs in this country and possible export outlets, during the crop years 1936, 1937, 1938, and 1939. Signers would receive, in return, rental and benefit payments calculated upon their average annual wheat production during the years 1928 to 1932, inclusive. Acreage bases of individual producers, upon which planting adjustments would be determined, would be the annual average for the years 1930 to 1932, inclusive. Both the production and the acreage base periods are the same as those used in the earlier program. Plans for holding the referendum will be discussed at meetings of wheat growers' representatives, and Washington and field personnel of the Agricultural Adjustment Administration and the Agricultural Extension Service. These meetings will be held at Indianapolis, Ind., April 16; Kansas City, Mo., April 17; Fargo, N. D., April 19; Walla, Walla, Wash., April 20; and Washington, D. C., April 22. These meetings will be followed by others within the wheat-producing states to discuss the present economic situation of wheat, the future outlook, and the progress made under the initial wheat-adjustment program.

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CIGAR-TOBACCO CONTRACTS FOR NON-SIGNED GROWERS

Producers of filler and binder types of cigar-leaf tobacco in the New England, Pennsylvania-New York, Wisconsin-Minnesota, and Ohio-Indiana areas who have

not previously participated in adjustment programs for these types, will be given an opportunity from April 17 to May 4, inclusive, to sign adjustment contracts. State and county agricultural agents will announce the time and place for non-contract signers to sign up in each county in the area affected. The 22,629 contracts now in effect represent approximately 92 percent of the number of growers of filler and binder types of cigar-leaf tobacco in these regions.

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HEARING ON CANTALOUE PACT IN NORTH CAROLINA

Improvement of returns to North Carolina cantaloupe growers, through raising the quality of cantaloupes shipped, and through bettering marketing conditions, is the aim

of a proposed marketing agreement and license for shippers of cantaloupes grown in Carolina. The proposed plan was submitted by a committee of growers, and the agreement and license will be considered at a public hearing in the court house, Warren-
ton, on April 23, and at Laurinburg on April 25.

RENTED TOBACCO ACRES
USE MODIFIED BY RULING

Provisions in tobacco adjustment contracts governing the use of rented acres and the production of basic commodities were modified for 1935 in an administrative ruling signed by the Secretary of Agriculture. The ruling provides that the provisions in tobacco contracts limiting the total acreage planted to crops shall be inoperative for 1935; that the provisions limiting the production of crops and livestock designated as basic commodities shall apply, for 1935, only to cotton, wheat, tobacco, and peanuts; and that provisions limiting the proportion of the "rented acres" which may be planted to food and feed crops for consumption on the farm shall be inoperative for 1935. All of the rented acres under this ruling may be used for production of food and feed crops for consumption on the farm under contract. Last year, only one-half of the rented acres under tobacco contracts could be used for the production of food and feed crops for home consumption. The chief benefit to be derived from the modification by tobacco farmers is the lifting of restrictions on the planting of corn. In most tobacco-growing areas, corn does not constitute a cash crop, and the production of a reasonable amount of corn in these areas is necessary to meet the feed requirements of a well-balanced system of farming.

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LOUISIANA SUGARCAKE
BASE PRODUCTION ALLOWED

The 1935 production allotments of sugarcane established pursuant to the Louisiana sugarcane adjustment contract, are 12 percent less than the base production established for each cooperating producer, the sugar section of the Agricultural Adjustment Administration announced. However, in order to give farmers ample opportunity to produce their production allotments, any producer who desires to grow in 1935 an acreage of sugarcane that with normal yields will produce up to his base production may do so without violating the contract. Furthermore, should the producer produce sugarcane from this permitted acreage in excess of his production allotment, this plan will allow him to market an amount of sugarcane up to his base production. If the total actual production of sugarcane in the 1935 crop resulting from this procedure exceeds the estimated production of sugar (approximately 221,000 tons) which would normally be produced from the production allotments made under the adjustment contracts, such excess will constitute a reserve of sugar. The percentage that each producers' allotment is of his base production was established in a determination made by the Secretary of Agriculture, and the provisions regarding compliance with the contract are contained in the compliance certificate for 1935 which the Secretary also has approved.

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1935 WHEAT PAYMENTS
ON WAIVED ACREAGES

The making of 1935 adjustment payments to those wheat producers for whom this year's minimum planting requirement has been waived because of extreme drought

conditions has been approved by the Secretary of Agriculture. The payment will make available again this year, as last year, a partial crop-income insurance for those producers in such drought areas. The waivers on minimum planting requirements are made only in counties officially designated by the wheat section of the Agricultural Adjustment Administration and then only by the county wheat production control committees upon individual applications of producers. The planting requirement is waived only where there is evidence that the soil has been prepared for planting and where it is evident at the time of planting that planting seed would be a waste. The rate of the 1935 payment will be determined later in the year after the processing tax for the coming crop has been announced.

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RED SOUR CHERRY PACT
TENTATIVELY APPROVED

A marketing agreement for red sour cherries for canning and cold packing has been tentatively approved by the Secretary of Agriculture and is being sent to members of the industry for signature. Commercial production of these cherries for canning and cold packing is for the most part confined to the states of Michigan, New York, Wisconsin, Oregon, Washington, Utah, Nebraska, Colorado, Montana, Idaho, Pennsylvania and Ohio. The industry's average annual production is about 70 million pounds. Since 1930 prices to producers have declined to low levels. The agreement provides that prior to June 10 of each year, the control committee which would administer the agreement, would recommend a minimum price to be paid to producers for the current year's crop of cherries. The recommendation would become effective upon the approval of the Secretary of Agriculture and on a date specified by him. Growers would then be assured of receiving at least the minimum price for all red sour cherries sold for canning or cold packing.

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HEARING ON PROPOSED
BARTLETT PEAR AGREEMENT

A proposed marketing agreement for Pacific Coast Bartlett pears for canning will be considered at three public hearings to be held at Berkley, Calif., on April 19; at Medford, Ore., on April 22; and at Yakima, Wash., on April 25. The proposed agreement applies to the states of California, Oregon, and Washington. Growers and canners advocating the agreement believe that controlling the pack by limiting the quantity of No. 2 and cull pears canned is necessary to insure fair prices to growers, in view of the probable carryover of canned pears and the possibility of a large 1935 crop. The agreement would be administered by a control committee of 16 members; composed of 4 representatives of California growers, 4 representatives of California canners, 4 members representing Northwest growers, and 4 representing Northwest canners. Under the proposed agreement, no canner may can any lot of pears in which No. 2 and cull pears exceeded 10 percent of the total. It is provided, however, that in case of a short crop the committee could, by a two-thirds vote of its grower members and a two-thirds vote of its canner members, issue special rules which would permit the canning of enough No. 2 pears to insure a total pack large enough to meet the estimated demand during the succeeding season.

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TRANSFER FIVE CODES TO
NATIONAL RECOVERY BOARD

Administration of five codes of fair competition has been transferred by executive order of the President from the Agricultural Adjustment Administration to the National Industrial Recovery Board. Terms of the transfer reserve for the Secretary of Agriculture powers in matters pertaining to growers. Codes affected are those for the wheat flour milling industry, the feed manufacturing industry, the country grain elevator industry of the United States, the malt industry, and the southern rice milling industry. It is provided that written approval of the Secretary of Agriculture shall be required on all actions involving fixing of control of prices to agricultural producers and the first processors, or of brokerage fees on such transactions; credits and financial charges with reference to agricultural products; commission rates on purchases from producers or from first processors; purchasing arrangements with regard to agricultural commodities in their original form; marketing quotas involving producers or first processors; and plant capacity and allocation. It also is provided that the Secretary of Agriculture retain the right to appoint a non-voting member to each of the five code authorities.

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SUGAR BEET ACREAGE
ALLOTMENT RE-ALLOCATED

Re-allotment of approximately 32,000 acres of unused 1935 sugar beet acreage allotments, chiefly from western drought areas, to districts where planting conditions are more favorable, was announced by the sugar section of the Agricultural Adjustment Administration. The acreage re-allotted is approximately 3 percent of the total sugar beet acreage which has been allotted to producers of the United States for 1935 under the general terms of the sugar beet production adjustment contract. The reallocation has been made to producers in certain sugar beet districts in California, Colorado, Indiana, Kansas, Michigan, Ohio, South Dakota, Washington, Wyoming, Montana, Idaho, and Wisconsin where producers have indicated their desire to plant acreage in excess of their original allotment. The acreage reallocated comes from acreage surrendered to the national acreage reserve from areas in which producers have indicated on April 1 that they had contracted for all the acreage upon which they desire to raise beets this year. The acreage was returned to the national reserve by certain drought-affected sugar beet districts in Utah, Idaho, southern California, Minnesota, Colorado, Nebraska, Wyoming, and Michigan. In some states, acreage was surrendered by certain districts, while allocations were increased in others in the same state.

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SUGAR ENTRIES CHARGED
AGAINST 1935 QUOTAS

The quantity of sugar entered for consumption in the United States during the first three months of this year from Cuba, the Philippines, Puerto Rico, the Virgin Islands, and Hawaii totalled 1,440,466 short tons raw value, and has been charged against the 1935 quotas for those areas, the sugar section of the Agricultural Adjustment Administration announced. The report on entries of sugar from January 1 to April 1 shows that the quantity entered represented 32.3 percent of the total of 4,454,019 tons admissible from those areas in 1935.

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HEARING ON SIRUP
ADJUSTMENT PROPOSALS

A public hearing upon possible methods of applying the Agricultural Adjustment Act for the benefit of producers of sugarcane for sirup has been set for April 15, at the Jefferson Davis Hotel in Montgomery, Ala., the Agricultural Adjustment Administration announced. Among the things to be considered at the hearing will be a crop adjustment program and a marketing agreement for the industry.

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SUGAR IMPORT QUOTAS
FILLED BY 10 COUNTRIES

The 1935 quotas for importation of sugar for consumption in the United States from Belgium, Canada, China, Czechoslovakia, Dominican Republic, France, Germany, Haiti, Netherlands, and Peru have been exhausted. After the import quota for any area is reached, no more sugar from that area can enter the United States during the current calendar year unless it is stored in bond in accordance with existing regulations of the Agricultural Adjustment Administration. Sugar entering the country under bond pursuant to the provisions of General Sugar Order No. 1, Revision 1, for refining or to be manufactured into articles for subsequent re-exportation, is not affected by the closing of the quota for any area.

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NEW BEDFORD MILK
LICENSE AMENDED

An amended license for the New Bedford, Mass., milk sales area became effective April 6. The fundamental changes brought about by the amended license, which were recommended by the New Bedford Milk Producers Association, are the placing of a restriction on distributors which obliges them to pay the Class 2 or cream price for all milk purchased from new producers during a 90-day probation period, and a redefinition of the price for Class 2 milk so that it conforms to the competitive situation. The amended license restates the Class 2 price, changing it from \$1.40 per 100 pounds of milk to the open market competitive price of sweet cream in Boston. The formula contained in the amended license for Class 2 milk is 3.7 times the average price per pound of butterfat in cream of bottling quality as calculated by the market administrator from the weighted average price at Boston of 40-quart cans of such cream testing 40 percent butterfat, plus 11½ cents per 100 pounds of milk. This is the same method used in stating the Boston Class 2 milk price. The amended license also provides that in addition to the privilege of creating a milk industry board composed of producers, consumers and distributors, the Secretary of Agriculture may name an advisory committee composed of equal representation of producers and distributors. The duties of such advisory board would be connected with marketing, distributing and financial problems arising under the license.

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FALL RIVER MILK
LICENSE AMENDED

Provisions for a milk advisory committee and certain restrictions on purchase of milk by distributors from new producers are the principal changes embodied in an amended milk license for the Fall River, Mass., sales area. The amended license, which became effective April 9, provides that in addition to permission to establish a local milk industry board, the Secretary of Agriculture may appoint a milk advisory committee of producers and distributors to consider technical details related to marketing and finance associated with the administration of the license. Distributors under the amended license are restricted in their purchases of milk from new producers by a requirement that they must pay the Class 2 or cream price for all milk delivered by such new producers for 90 days.

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RICHMOND MILK
LICENSE AMENDED

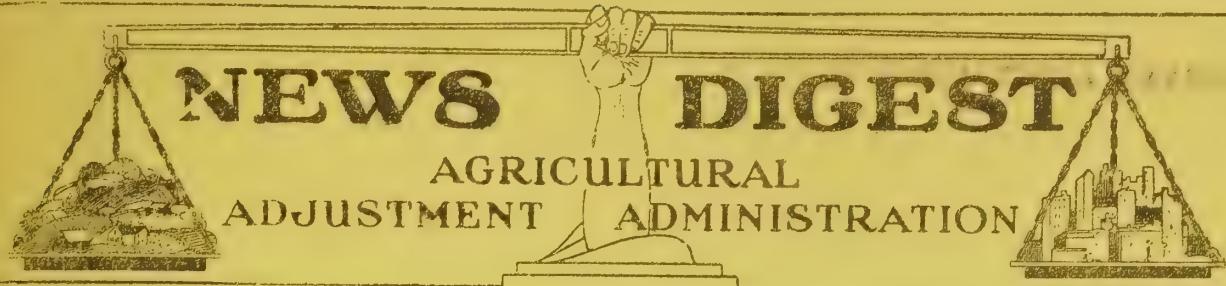
An amended license for the Richmond, Va. Milk Sales Area will go into effect April 16. The amended license contains such fundamental provisions as: payment for milk by distributors on a butterfat basis rather than the former hundredweight basis, together with computations of returns to producers retained on the hundredweight basis; payment to Guernsey and Jersey producers at the Class 1 price for the amount of milk sold to consumers as Guernsey and Jersey milk, apportioned among such producers of breed milk according to their established basis; changing the Class 3 price from the New York 92 score wholesale butter basis, plus 10 percent thereof, to the straight New York 92 score butter market without additional allowance.

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WATERMELON INDUSTRY
TO ELECT COMMITTEES

The Agricultural Adjustment Administration has mailed to watermelon shippers of Florida, Georgia, South Carolina, and North Carolina ballots for election of shipper members of state advisory committees under the marketing agreement for the watermelon industry in the southeastern states. Four committee members and their alternates will be chosen for each state. Ballots are to be returned by not later than noon, April 20. Growers, who have equal representation on the advisory committees, are electing their members and alternates at meetings in each state.

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NEWS DIGEST

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FARMERS IN DROUGHT AREA GET ASSISTANCE

Plans of an emergency nature to assist farmers in the drought and dust-storm area of the Great Plains, supplementing existing programs designed to provide gradually more protection against recurrence of dust-storms by returning surplus-crop producing lands to native grass and to other soil-erosion preventing crops, were announced by the Agricultural Adjustment Administration. Cooperating with the Adjustment Administration, western carriers have granted emergency reduced freight rates on shipments of livestock to pasture in non-drought areas. An extension of time for return movement of livestock, shipped last fall and winter from the drought areas to non-drought regions for feeding, has been granted. Reduced rates have been granted by the railroads on inshipments of livestock feed supplies. A branch office of the Federal Livestock Feed Agency of Kansas City is being established in Amarillo, Texas, to assist in clearing information regarding feed supplies available for shipment into the drought area, and in locating pasture in non-drought areas which can be contracted for by producers who must move their livestock.

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MINIMUM WAGES SET FOR BEET LABOR

Minimum wage rates for 1935 sugar beet field labor for four areas comprising 28 beet sugar factory districts in Colorado, Nebraska, Wyoming and Montana, have been established under the authority of the Jones-Costigan Act and under the permissive authority in the sugar beet adjustment contract. The wage determination was made by the Secretary of Agriculture and announced by the Agricultural Adjustment Administration. The wage rates were established after public hearings in the affected areas, and followed numerous requests for such action from laborers, growers, and processors. The regions for which minimum wages have been determined and the total wage per acre are: Southern Colorado, including factory districts of Swing, Rocky Ford, and Sugar City, \$17.50 an acre; Northern Colorado, including factory districts of Longmont, Loveland, Fort Collins, Windsor, Eaton, Greeley, Fort Lupton, Brighton, Fort Morgan, Brush, Sterling, and Ovid, \$19.50 an acre; Nebraska-Wyoming, including factory districts of Scottsbluff, Mitchell, Minatare, Lyman, Gering, Bayard, Torrington, and Wheatland, \$19.50 an acre; Montana-Wyoming, including factory districts of Billings, Sheridan, Lovell, Worland, and Sidney, \$21.50 an acre.

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SUGAR ENTRIES AGAINST PUERTO RICAN QUOTA

The sugar section of the Agricultural Adjustment Administration announced that the quantity charged against the Puerto Rican 1935 raw sugar quota for direct consumption of 9,590 tons amounted to 6,062 short tons, leaving a balance admissible in 1935 of 3,528 tons. In Puerto Rican Sugar Order No. 3, issued April 2, 1935, the direct consumption sugar quota from that area was divided as to refined sugar and raw sugar, respectively, in amounts of 123,529 short tons and 9,590 short tons.

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FARM DOLLARS IN SOUTH
SPEED NORTHERN INDUSTRY

Actual carlot shipments of industrial and manufactured goods from 16 northeastern industrial states to 10 southeastern agricultural states increased by 38.8 percent in

the first year after the nation's recovery program got under way, according to results of a study completed by the Agricultural Adjustment Administration. The statistical information on which the study was based was taken from waybills of four important railroad systems in the southeast. Shipments of industrial commodities, exclusive of coal, from the northeastern industrial states to the southeastern agricultural states over these four railroads, totaled 2,104,585,201 pounds in the period from July 1, 1932 through June 30, 1933, before the agricultural adjustment program was inaugurated. In the next year, from July 1, 1933, through June 30, 1934, a period when the results of the agricultural adjustment program and other recovery measures were beginning to be felt, shipments of northeastern industrial and manufactured goods to the southeast over these same railroads totaled 2,920,887,439 pounds, an increase of 38.8 percent over shipments during the previous year. These goods were shipped in carload lots and represent more than 95 percent of the total shipments by weight. The 16 states from which these industrial commodities were shipped were Maine, New Hampshire, Vermont, Massachusetts, Connecticut, Rhode Island, New York, Pennsylvania, New Jersey, Delaware, Maryland, Ohio, Michigan, Indiana, Illinois and Wisconsin. The 10 states in which the commodities were delivered were Virginia, West Virginia, Kentucky, Tennessee, North Carolina, South Carolina, Mississippi, Alabama, Georgia and Florida. While shipments of industrial goods increased 38.8 percent, the study shows that during the same periods cash farm income of farmers in the southeastern states increased 59.9 percent. From July 1932 through June 1933, before the agricultural adjustment program became operative, the cash farm income from crops in the 10 southeastern states was \$451,637,000. The year following, from July 1933 through June 1934, when the adjustment program and other recovery measures were launched, the cash farm income from crops plus benefit payments to farmers in those states totaled \$722,017,000 - an increase of 59.9 percent. In these 10 southeastern states the Agricultural Adjustment Administration had adjustment programs in effect for cotton and tobacco. Benefit payments to producers cooperating in these programs were derived from the processing taxes. The processing taxes, in financing the benefit payments to farmers cooperating in production adjustment programs, provide a means of associating the interests of the individual farmer with the interests of the whole group of producers of a basic commodity for the purpose of increasing farm income. By encouraging adjustments that raise farm purchasing power, the processing taxes promote the general welfare. This is indicated by the study which shows the extent to which increased farm purchasing power has increased the farmers' demand for industrial goods. Previous to the launching of the general recovery program in 1933, business activity on the United States had been declining for nearly four years. Farmers could buy less and less from city dwellers, and city dwellers had less and less money with which to buy from farmers. The recovery program represents an attempt to reverse this process. By providing the mechanism through which farmers may increase their own incomes, the Government seeks to help increase industrial activity. At the same time, by increasing the purchasing power of industrial workers, the Government seeks to increase the demand for farm products.

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AMENDED LICENSE FOR
TULSA MILK AREA

Elimination of minimum resale price schedules from the Tulsa, Okla., milk license, together with new price adjustments to producers in all four classes of milk ac-

counted for by distributors, and a change in the delivery period from a monthly to a semi-monthly basis are the principal points in an amended license for that area which went into effect April 16.

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1934 CORN LOANS
MATURE JULY 1

The second of Government loans on farm-stored corn, which were first inaugurated in the fall of 1933 as a financial aid to enable producers to market their crop in more orderly fashion and to obtain advantage of price increases, will be completed on July 1, 1935, when commodity loans on 1934 corn will become due and payable. No extension of this maturity date will be made, according to the Commodity Credit Corporation, which functioned the loans, and in view of the prevailing current prices for corn, all producer-borrowers are expected to repay fully the amount of their loans, at the loan value rate of 55 cents per bushel, plus interest at 4 percent and insurance charges, prior to or at maturity on July 1, 1935. While 1934 loans are due and payable, officials of the Agricultural Adjustment Administration pointed out that provision for Government loans on corn stored on farms in surplus-producing areas definitely will be a part of the corn-hog adjustment program for 1935. Borrowers' notes now outstanding in connection with the loan program amount to approximately \$8,830,000, representing approximately 16,054,000 bushels of corn under seal. The Commodity Credit Corporation holds paper for about one-third of these outstanding notes, the balance being held by local banks and similar financial institutions under the agreement of the Corporation to purchase such paper. Borrowers have already repaid about \$2,025,000, releasing 3,685,000 bushels of corn. The total amount of money loaned under the 1934 loan program was approximately \$10,856,000, collateralized by about 19,739,000 bushels of corn. These loans, by States, in round figures were: Colorado, \$4,460; Illinois, \$2,637,549; Indiana, \$267,851; Iowa, \$5,845,239; Kansas, \$11,139; Minnesota, \$405,036; Missouri, \$125,346; Nebraska, \$1,311,699; Ohio, \$51,246; South Dakota, \$195,640. The volume of loans during the past season was not as great as under the original program because corn prices in the meantime had risen considerably above the loan value. Loans made on farm-stored corn in the winter of 1933-34 amounted to approximately \$120,500,000 and the volume of corn put into storage amounted to about 270,000,000 bushels. The loan rate was 45 cents per bushel. Corn loans have been made only to borrowers who agreed to participate in the corn-hog adjustment program. The loan program is recognized as a valuable device for carrying reserve supplies from one year to another, provided it is coupled with sound production control.

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CORN-HOG RULING AIDS
HOME MEAT SUPPLY

Producers who agree under the 1935 corn-hog program to hold their corn acreage within the contract limits but who do not have a hog production base may produce one 1935 litter of pigs for home consumption, according to a ruling by the Secretary of Agriculture. No hog payment, however, will be made to producers taking advantage of this ruling. It also has been ruled that 1935 contract signers, who have an average production record of 6 hogs or less for both market and slaughter during the 1932-1933 period and who are receiving no hog payment under their contracts, may be permitted to slaughter for home consumption all pigs produced in 1935 in excess of the producer's market hog base, provided that only one litter is farrowed on the farming unit under contract. The number of pigs which may be produced for market under the contract is not changed by this ruling. These modifications were made primarily to accomodate farmers who produced a smaller-than-average number of pigs from one litter during the base period, and to assure that they will have an adequate number of hogs for home use. The 1935 contract does not require a producer with a market hog production average of 15 hogs or less for the base period to make any adjustment in 1935 farrowings, but until the new ruling was made, many small producers could not keep more 1935 pigs than the same number produced during the base period. For example, a producer who for one reason or another had a market hog base of only 2 head and a home slaughter base of 3 head, could produce a total of no more than 5 hogs in 1935. Under the new ruling, this producer may not produce more than 2 hogs for market, but he may use for home consumption all of the remaining pigs farrowed in one litter in 1935.

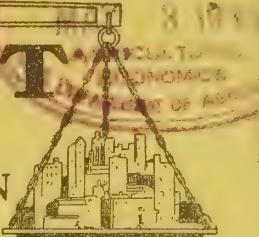
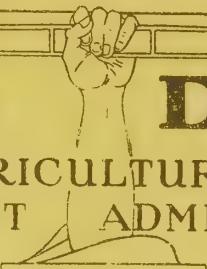
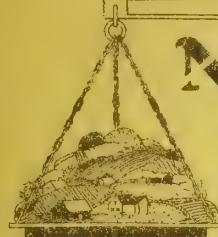
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NEWS DIGEST

AGRICULTURAL

ADJUSTMENT

ADMINISTRATION



VOLUME 2, NUMBER 30

APRIL 27, 1935

COMPTROLLER GENERAL APPROVES MODIFIED 1935 WHEAT CONTRACT

The Comptroller General, on April 25, approved the 1935 supplementary wheat contract under which co-operating farmers may plant their full base acreage or more and at the same time receive benefit payments for 1935. Because dry weather in the western Great Plains has made wheat production uncertain this year, the Agricultural Adjustment Administration removed restrictions on wheat plantings for farmers under wheat allotment contracts. As the 1935 reduction is to be made in 1936 by the producers affected, the adjustment payments to cooperating growers will not be affected if they increase acreage under the terms of the supplementary contract. The modified program is expected to result in the planting of an additional 900,000 to 2,300,000 acres of wheat and an increased production of from 10,000,000 to 30,000,000 bushels, depending upon weather conditions. The amount by which each producer may increase his plantings for 1935 is limited by his ability to make a corresponding reduction in 1936. For each producer the limit on 1935 plantings is equivalent to 165 percent of his base acreage.

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LARGE FEED SUPPLIES LISTED FOR USE IN DROUGHT REGION

Feed and forage supplies listed with the Federal Livestock Feed Agency, with offices at Kansas City and Amarillo, Texas, offer a valuable source of feed for livestock in the unrelieved drought and dust-storm area. The Agency has listed several thousand tons of oat and vetch mixed hay from Oregon and Washington; upwards of 50,000 tons of grain hay mixed with alfalfa, from California and Arizona; 5,000 cars of Lespedeza hay and Johnson grass hay from Alabama, Tennessee, Kentucky and Mississippi; a quantity of soy bean hay from Illinois; and approximately 100,000 acres of pasture in Missouri, Arkansas and Oklahoma. A survey of the drought area shows that most of the feeds available for immediate shipment into the area are unfamiliar to livestock feeders. However, these feeds have a high feed value and their use will enable producers to hold livestock until rains may make pasture available. Supplies of roughage in this area are practically exhausted, and dealers have about exhausted all of their usual sources of supplies for feed.

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PUERTO RICO TAX FUND ORDER ALLOTS FUNDS FOR BENEFITS

Allotment of \$2,250,000 out of processing tax collections on sugar from Puerto Rico, to be used in making the adjustment payments to Puerto Rican producers cooperating in the sugar adjustment program for that area, has been made by the Secretary of Agriculture with the approval of the President. The production adjustment program which has been approved for Puerto Rico provides for benefit payments of about \$11,400,000.

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16 INDUSTRIAL STATES GAIN
IN SHIPMENTS TO FARM AREA

State figures show increased carlot shipments of manufactured goods from 16 northeastern states to 10 states of the agricultural southeast. The study

made by the Agricultural Adjustment Administration covers two years. The first year, began July 1, 1932, and ended June 30, 1933. The second year, began July 1, 1933, and ended June 30, 1934. Total carlot shipments from the northeastern industrial states to the states of the Southeast increased 38 percent, from 2,104,-585,201 pounds in the year before the recovery program to 2,920,887,439 pounds in the year when the results of this program had begun to be felt. Shipments from the northeastern industrial states were made to Virginia, West Virginia, Kentucky, Tennessee, North Carolina, South Carolina, Mississippi, Alabama, Georgia and Florida. In these states, during the period in which the industrial shipments increased, the cash farm income from crops plus benefit payments increased 59.9 percent, from \$451,637,000 to \$722,017,000. Carlot shipments of industrial goods from Maine increased from 33,435,542 pounds to 56,251,601 pounds, a rise of 68 percent. States' increases were: Pennsylvania shipments increased 55.6 percent, from 221,999,175 pounds to 344,455,923 pounds; New York, 51 percent, from 106,290-623 pounds to 160,542,437 pounds; Ohio, 48.9 percent, from 316,716,439 pounds to 471,633,148 pounds; Michigan, 45.6 percent, from 333,994,010 pounds to 486,309,151 pounds; Wisconsin, 43 percent, from 57,636,584 pounds; to 82,542,524 pounds; Massachusetts, 40.9 percent, from 47,622,507 pounds to 67,088,380 pounds; Indiana, 40.1 percent, from 295,207,974 pounds to 413,796,064 pounds; New Jersey, 33 percent, from 53,867,206 pounds to 71,655,328 pounds; Connecticut, 32.7 percent, from 10,-637,630 pounds to 14,120,295 pounds; Illinois, 25 percent, from 471,596,096 pounds to 589,605,633 pounds; New Hampshire, 25 percent, from 5,508,702 pounds to 6,898,365 pounds; Vermont, 21.7 percent, from 4,055,517 pounds to 4,939,451 pounds; Delaware, 21 percent, from 4,308,104 pounds to 5,218,231 pounds; Maryland, 2.8 percent, from 131,122,250 pounds to 134,790,613 pounds; Rhode Island shipments decreased 1.3 percent, from 11,185,842 pounds to 11,040,295 pounds.

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HEARING SCHEDULED MAY 3
ON CurrANT AGREEMENT

Marlboro, N. Y. on May 3. Two-thirds of the county's commercial production is grown in the two counties. The agreement is sponsored by growers and by six local handlers who sell approximately 80 percent of the currants marketed from the area. The agreement would provide minimum prices below which no handler might sell currants.

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INDIANA MILK CONTROL BOARD
MEETS WITH AAA AT FT. WAYNE

The Indiana State Milk Control Board held a preliminary meeting at Fort Wayne on April 25, to discuss with representatives of the Agricultural Adjustment Administration proposed concurrent action by the State of Indiana and the Federal Government, as provided in the new Indiana State milk law. Ft. Wayne has a Federal milk license instituted July 1, 1934.

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TURPENTINE AND ROSIN
AMENDMENT APPROVED

An amendment to the license for gum turpentine and gum rosin processors was approved April 22 by the Secretary of Agriculture, providing that each processor shall have one vote for each unit of rosin and turpentine allotted to him for marketing during the calendar year in which an election is to be held. Formerly each processor was entitled to one vote for each unit processed by him during the preceding calendar year.

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EASTERN WORKERS PREPARE
FOR WHEAT REFERENDUM

Plans for conducting the national wheat referendum on May 25 were outlined for extension workers of nine eastern states at a meeting in Washington April 22. The Washington meeting was the fifth and last of a series of regional meetings preparatory to the referendum. Others have been held in all agricultural regions. Each regional meeting is being followed by state meetings, and finally by series of farmers' discussion meetings in each community.

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MAY APPRAISE TOBACCO FOR
ADJUSTMENT PAYMENT

Forms on which producers may make application for appraisals to determine the net sale value under adjustment contracts of unsold Burley, fire-cured or dark air-cured tobacco of the 1934 crop are being sent to county agents by the Agricultural Adjustment Administration. All applications for appraisals must be filed with the county agents not later than May 31, 1935. It is necessary to establish the net sale value of this unsold tobacco in order to determine the amount of the second adjustment payment under these contracts, which is based on the net sale value of the production of the contracting producer. Not all producers of these types of tobacco have sold all of their production permitted to be sold under the contract.

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BUTTER HEARING DATA STUDIED
BY DAIRY STAFF

Evidence on a proposed butter marketing agreement, presented at seven hearings on the Pacific Coast and in Mountain States, is being studied by the dairy section of the Agricultural Adjustment Administration. A decision on the program will not be made until all hearing records have been reviewed. As tentatively offered to the industry the agreement is designed to provide a voluntary plan to promote high quality and increased consumption of butter, greater net income to producers of cream by means of minimum prices for cream based on the wholesale prices of butter in relation to exchange quotations, and to establish differentials for various grades of cream. It is then intended to carry the cream grading quality program through to the retail purchaser by means of grade labeling of butter. It is also designed to fit into quality improvement programs already instituted in some of the Pacific coast States.

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PUERTO RICAN SUGAR
FUNDS INTO RESEARCH

Expenditure of \$113,000 for the study in Puerto Rico of tropical plants and animal parasites was authorized by the Secretary of Agriculture, with

the approval of the President. The order allots this sum from the sugar processing tax funds from that area. The experiments are being undertaken in order to develop crops which may be grown where sugarcane production has been reduced under the adjustment program. The studies of animal parasites are directed at reducing livestock losses

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SOUTHEAST FARMERS BUYING
MORE MANUFACTURED GOODS

Carlot shipments of manufactured goods from 16 northeastern industrial states for use primarily by farmers in 10 southeastern states showed an

increase of 75.1 percent in the first year after the agricultural adjustment program and other recovery measures were inaugurated. Carlot shipments of all manufactured and industrial goods from the northeast to the southeast increased 38.8 percent in the same period. The study covered two successive periods of one year each. The first year ended June 30, 1933. The second year ended June 30, 1934. Shipments of farm machinery and farm implements increased from 8,561,267 pounds to 26,005,604 pounds, a gain of over 200 percent. Wagons and wagon wheels increased from 2,073,868 pounds to 4,755,056 pounds, a gain of 129 percent. Tractor and tractor parts shipments went from 6,707,115 pounds to 9,007,672 pounds. Harness and saddlery shipments rose from 1,192,178 pounds to 2,520,707 pounds, a gain of 111 percent. Steel fence posts increased from 182,007 pounds to 374,313 pounds, or 105 percent. Wire and wire fencing shipments rose from 37,538,337 pounds to 56,442,834 pounds, a gain of 50 percent. Shipments of beehives increased by 251 percent, and corn cribs by 301 percent.

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SPECIAL CONTRACT OFFERED
CIGAR TOBACCO PRODUCERS

Producers of cigar filler and binder tobacco who are operating tobacco farms on which the acreage of tobacco in 1930, 1931 or 1932 was

too small to enable them to obtain equitable production allotments under the regular tobacco contracts of the Agricultural Adjustment Administration will be offered a special base contract for 1935. The cigar filler and binder tobacco eligible for the special base contract are Types 41, 42, 43, 44, 51, 52, 53, 54, and 55. Producers who sign the contract will be eligible to receive tax-payment warrants to cover the production allotments for their contracts. These warrants may be used to pay the tax levied by the Kerr-Smith Tobacco Act. In addition, these producers will receive a benefit payment at the rate of \$6 an acre for each acre of difference between the tobacco acreage allotment and their base tobacco acreage. A grower is eligible to sign a special base contract if it can be established that the farm which he is operating is equipped for tobacco production and tobacco was grown there in one or more of the years 1929 to 1934, inclusive; or that the persons who are living on the farm in 1935 were engaged in the production of tobacco in the years 1929 to 1934. Any person who has moved from a farm covered by a regular contract with a view of using his personal tobacco history to obtain an allotment under a special base contract is not eligible. Producers who sign special base contracts will be required to limit the tobacco acreage in 1935 to two-thirds of the base acreage established for their farms.

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COMMODITY CREDIT AUTHORIZES
NEW LOANS ON NAVAL STORES

New loans to those producers of gum turpentine and gum rosin who are signers of the marketing agreement for the industry were authorized by

the Commodity Credit Corporation upon recommendation of the Agricultural Adjustment Administration. A commitment of \$7,000,000 has been made by the Reconstruction Finance Corporation to Commodity Credit Corporation for such loans. The new loans will be made on the basis of \$50 per unit and will mature March 31, 1936. A unit consists of one fifty-gallon barrel of turpentine and three and one-third five-hundred-pound barrels of rosin. The loans will be made only directly by Commodity Credit Corporation through the Jacksonville Loan Agency of Reconstruction Finance Corporation. Fifty percent of the marketing allotment granted to each individual producer for the period from May 1, 1935 to October 1, 1935, will be eligible for loans. It is believed the loans will materially aid producers in marketing naval stores in an orderly manner.

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CELERY GROWERS' INCOMES
HIGHER UNDER AGREEMENT

Reports from the field indicate that growers of Florida celery, who are now carrying on their first year of operations under a marketing

agreement, are receiving income substantially above last season's. Effective proportion began the week starting March 4, and will probably continue for another month. For the period between March 4 and April 14, 1935, the average price to growers was between \$1.30 and \$1.35 a crate. For the same week last season the grower-price was between 75 cents and 80 cents. During the same period the average New York wholesale price of Florida celery was \$2.38 per crate in 1935, as against \$1.98 for 1934. This 20 percent increase in the wholesale price resulted in a rise of about 70 percent in returns to growers.

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NEWS DIGEST

AGRICULTURAL ADJUSTMENT ADMINISTRATION

VOLUME 2, NUMBER 31

May 4, 1935

CHICAGO HEARING ON GRAIN EXCHANGE CODE CHANGES

A public hearing upon the code of fair competition for the grain exchanges to determine whether the Chicago Board of Trade imposes inequitable restrictions upon membership contrary to the code, and whether provisions of the code other than those relating to hours, wages, and labor should be amended will be held May 15 at the Stevens Hotel in Chicago, the Agricultural Adjustment Administration announced. The hearing should provide an opportunity for a thorough re-examination of the general provisions of the grain exchange code. The necessity for the public hearing arises from a request of the Cargill Grain Company to the Chicago Board of Trade for clearing house privileges. This request was denied to the Cargill company under rules of the exchange and the company then presented the matter to the code authority established under the grain exchange code. The code authority has reported to the Secretary of Agriculture and the National Industrial Recovery Board that the Chicago Board of Trade imposes inequitable restrictions upon membership. The grain exchange code was approved by the President on March 20, 1934. An important objective of the code is the prevention of extreme market fluctuations through maintaining limitations upon daily price fluctuations, minimum margin requirements, and increased supervision of the operations of the exchanges.

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ADJUSTMENT PAYMENTS REACH 678 MILLION

Cumulative expenditures covering rental and benefit payments to producers cooperating in agricultural adjustment programs, removal of surplus operations, and

administrative expenses, chargeable against receipts from processing taxes amounted to \$776,103,578 up to April 1, while processing tax receipts for the same period amounted to \$777,540,894, according to the monthly report of the Comptroller of the Agricultural Adjustment Administration. Rental and benefit payments cumulative for all programs, by commodities are listed as follows: cotton, \$224,962,539; wheat, \$162,444,856; tobacco, \$31,216,317; corn-hogs, \$253,536,280; and sugar, \$6,256,933. Removal of surplus operations paid out of processing taxes include: hogs, \$46,081,425; wheat, \$6,097,239; dairy products, \$10,958,431; sugar, \$365,-536; and peanuts, \$350,911. Administrative expenses totaled \$33,833,107. Processing tax collections totaled by commodity on which collected: wheat, \$212,546,669; cotton \$219,116,924; compensatory taxes on paper and jute, \$11,935,120; tobacco, \$42,494,098; field corn, \$9,783,598; hogs, \$227,576,411; sugarcane and sugarbeets, \$48,459,991; peanuts, \$1,829,189; cotton ginning tax under Bankhead cotton control Act, \$666,336; tobacco producers sales tax under Kerr-Smith tobacco control Act, \$3,132,554. Expenditures amounting to \$166,911,518 for which funds have been made available through specific appropriations, or through trust fund receipts, and which are not financed by the processing taxes, also were reported.

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WHEAT REFERENDUM
PROCEDURE ANNOUNCED

The general procedure under which wheat growers of 37 states will vote in the national wheat referendum on May 25, has been announced by the Agricultural Adjustment Administration. The referendum will involve signers of approximately 575,000 wheat contracts in 1,763 counties. A separate vote of non-signers will be taken. The referendum is to be held for the purpose of indicating to the Adjustment Administration the sentiment of wheat farmers generally toward a new wheat program to follow the present one. The question upon which producers will be asked to vote is: "Are you in favor of a wheat production adjustment program to follow the present one which expires with the 1935 crop year?" The county and community wheat committees have the principal responsibility in conducting the referendum. The county allotment committee will have charge of the referendum in each county or for several counties if they are formed into district associations. Community committees will have charge of the actual balloting in each community, which in most cases will be a township or similar area. The referendum on wheat will be the fourth to be conducted by the Agricultural Adjustment Administration. Similar polls on the views of farmers toward adjustment programs have been taken among corn-hog producers, tobacco growers, and cotton farmers. The wheat referendum is being taken now in order that the Adjustment Administration may have a clear-cut expression of opinion of producers far enough ahead of time to allow preparation of a wheat contract to be offered to farmers before planting of the winter wheat crop for 1935 begins early next fall. Regional and state meetings to discuss all phases of the current and past wheat situation have already been held in most areas, and community meetings are scheduled. In addition to the discussions of the general wheat situation, farmers will discuss the general outlines of the program which it is proposed to offer to producers in the event they indicate they wish one. The proposed future program would follow in general outlines, the present program. It would be based upon voluntary contracts with farmers and would be for the four years 1936, 1937, 1938, and 1939, with provision for a referendum on the question of continuing it from year to year during this period. Acreage and production base periods would remain the same as those used in the 1933-1935 programs, thus avoiding the problem of working out new allotments. Adjustment to be required under the contract would be limited to a maximum of 25 percent of the base acreage. Adjustment payments and processing taxes would be determined as in the present program. Local administration of the program would remain in the hands of the local county wheat production control associations, with a somewhat greater degree of local responsibility to be exercised by them.

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INDIANS HAVE FULL VOTE
IN WHEAT REFERENDUM

Indians on reservations who farm land under wheat allotment contracts or who are landlords of such farms will be entitled to vote individually in the national wheat referendum on May 25 on identically the same basis as other persons. The question was raised at a Walla Walla, Wash., wheat meeting as to whether a superintendent of an Indian reservation should vote in the referendum for all contract signers on the reservation, or whether they should vote individually. As Indians are now entitled to vote in national elections, and in many states, in all elections, they should cast their individual ballots in the wheat referendum, Indian Service officials have informed the wheat section of the Agricultural Adjustment Administration. The Indian Service will cooperate in conducting the discussion meetings which will be held before the referendum is taken. The principal states in which Indians are signers of wheat contracts are: Arizona, New Mexico, Oklahoma, Oregon, Washington, North Dakota, South Dakota, Montana, Minnesota, Utah, and Idaho.

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HOP AGREEMENT
TENTATIVELY APPROVED

A marketing agreement and license designed to improve returns to growers of hops produced in California, Oregon, and Washington have been tentatively approved by the Secretary of Agriculture. The agreement includes provisions for grading and inspection, minimum prices to growers, and determination each year of a maximum crop to be marketed. Nearly all of the country's commercial production of hops is carried on in the three states covered by the proposed agreement. Two years ago, hop growers geared up production to meet an estimated annual demand for 60 million barrels of beer. In 1934 the actual United States output of beer was 40 million barrels. One hundred and fifty thousand bales of hops were consumed instead of the estimated 200,000 bales. For 1935 the estimated crop is 250,000 bales. Estimated consumption is 175,000 bales. A bale of hops weighs about 200 pounds. During prohibition years prices to growers ranged from 14 to 18 cents a pound. In 1933, when brewers feared that the hop supply would not be adequate the prices rose to 30.4 cents a pound. In 1934 it dropped to 14.3 cents. The parity price is now about 29 cents as compared with a present market price to growers of 9 to 13 cents. Administration of the agreement would be in the hands of a 15-man industry board, with an advisory board in each of the three states.

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DARK TOBACCO RULING
FOR PLANTING OPTION

Producers who have signed fire-cured or dark air-cured tobacco production adjustment contracts may elect to plant only 70 percent of their base acreage in 1935 instead of the 80 percent planting provided for in the Secretary's notice of extension of their contracts, it was announced. This option is provided in an administrative ruling signed by the Secretary of Agriculture. Under its terms producers who plant not more than 70 percent of their base acreage will receive a rental payment at the rate of \$12 an acre, the same rate which applies to producers planting 80 percent of their base acreage. Consequently producers planting not more than 70 percent of their base acreage will receive rental payments totalling proportionately more than those received by growers who plant 80 percent. Producers will not be required to designate their choice until the 1935 acreage is measured. The ruling applies only to the acreage and does not affect producers' poundage allotments for 1935. In 1934, growers of fire-cured tobacco planted 75 percent, and growers of dark air-cured tobacco planted 70 percent, of their base acreage. The Secretary's notices extending these contracts into 1935 provided allotments of 80 percent of the base acreage and production for both fire-cured and dark air-cured tobacco in 1935. Yields in 1934 were unusually high, with the result that the sales of dark tobacco have been slightly larger than was anticipated at the time the contracts were extended into 1935. Growers, particularly those whose acreage allotments are high in proportion to their poundage allotments, will find it to their advantage to plant 70 percent instead of 80 percent of their established base acreage, and thus avoid the production of excess poundage. In 1934, growers with excess production sold all or part of their excess under a ruling permitting growers of dark tobacco to sell an additional 15 percent of their allotment. It is contemplated that necessary adjustment by the growers may be accomplished this season through smaller plantings.

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WOOD NAVAL STORES
INDUSTRY ALLOTMENTS

Wood naval stores marketing allotments for the 1935 season, totalling 95,000 barrels, were announced. The total allotment was divided among the three branches of the industry. Processors using the steam distillation method received a total marketing allotment of 76,286 barrels of turpentine, and as much rosin as they produce in connection with their turpentine quota. Companies using the sulphate received an allotment of 12,063 barrels of turpentine. Those using the destructive distillation method received an allotment of 6,651.

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MILK PRICES AND MARGINS
DIFFER IN 40 MARKETS

Producers' prices for milk, f.o.b. dealers' plants, in 40 metropolitan markets of the country as of April 15, ranged from 3.6 cents per quart or 1.6 cents per pound at Indianapolis to 8.2 cents per quart or 3.8 cents per pound at Miami, according to a review of important markets compiled by the dairy section of the Agricultural Adjustment Administration. Distributors' gross operating margins on retail milk delivered to homes ranged from 5.1 cents per quart or 2.3 cents per pound at Topeka to 9.3 cents per quart or 4.3 cents per pound at Greensboro, N. C. The margins were figured on the actual butterfat test prevailing in each market under which milk is sold, with the cost to distributors based on their buying price, f.o.b. the city. The prices in the April review were computed on the basis of cents per pound as well as per quart, so they may be compared with many other foods sold by weight rather than volume. There are 2.15 pounds of milk in one standard quart. Consumers were charged at retail for milk delivered to homes as follows: 9-1/2 cents per quart on one market; 10 cents per quart on 14 markets; 11 cents per quart on 7 markets; 12 cents per quart on 11 markets; 13 cents per quart on 3 markets; 14 cents per quart on one market; 15 cents per quart on 2 markets; and 16 cents per quart on one market. Of the 40 markets reviewed, 14 are under Federal license alone, one is operating under concurrent jurisdiction of State and Federal authority; 13 have regulations issued by state milk boards under special legislative powers; and 12 markets are without any form of official regulation aside from civic health ordinances. In the group of 20 markets with gross margins from 5.4 cents up to but not including 6 cents per quart, 9 are Federally licensed markets, one is a State-Federal market, 6 are State regulated markets, and 4 are unregulated markets. In the second group of 14 markets with margins from 6 cents up but not including 7 cents per quart, there are 5 State regulated markets, 4 Federally licensed markets, and 5 unregulated markets. In the third group of 6 markets with margins from 7 cents per quart to more than 9 cents per quart, there are 3 unregulated markets, 2 State regulated markets, and one Federally licensed market.

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PHILIPPINE SUGAR
QUOTA RE-OPENED

The 1935 quota of raw sugar for direct consumption imported from the Philippine Islands, which was announced as exhausted on January 24, has been re-opened up to

3,682 tons as a result of cancellation of sugar entries to that amount, originally intended for direct consumption, the sugar section of the Agricultural Adjustment Administration announced. The direct consumption sugar entries cancelled were used as raws for further processing. As a result of the re-opening of the quota, the amount of raw direct consumption sugar from the Philippines which the sugar section can now certify to as within the quota of 9,996 short tons raw value is 7,364,574 pounds raw value (approximately 3,682 short tons). Persons desiring to enter Philippine sugar for direct consumption purposes should ask the sugar section for appropriate certification, giving the quantity of sugar in pounds, the name of the steamer on which the sugar arrived, the date of arrival, the polarization of the sugars and where stored. Priority will be given to the requests in the order in which they are received. It was explained by the sugar section that in certain industries raw sugars in small quantities are used for direct consumption purposes without further processing.

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TWO MILK LICENSES
IN MICHIGAN AMENDED

Amended licenses for the Ann Arbor and Kalamazoo, Mich., milk sales areas became effective May 1. The licenses are redrafted in the approved standard form. Each also contains a provision to permit the market administrator to disclose the names of those distributors who fail to perform specific duties required under the license. The schedules of minimum prices payable to producers, f.o.b. the distributors' plants in the sales areas, remain the same.

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PRODUCER PRICE RETAINED
IN BOSTON MILK LICENSE

Continuation of the existing minimum prices to producers under the Greater Boston milk license until June 1, together with three technical changes to clarify and strengthen the practical provisions of the license, are incorporated in an amended license which became effective on May 1. These prices are \$3.49 per 100 pounds of 3.7 percent milk for Class 1 milk, f.o.b. railroad delivery points or dealers' plants within the sales area, and for Class 2 milk 3.7 times the average price per pound of butterfat in cream of bottling quality as quoted by the Market News Service on 40 quart cans of 40 percent cream in the Boston market, less 11-1/2 cents per pound. The license has also been amended to include the standard provision used in most other Federal licenses relative to producer-distributors, which replaces the former exemption of 500 pounds of milk daily which such persons were not obliged to reckon in the pool adjustments. To avoid working hardship on certain producers whose production has been reduced by drought, feed shortage or culling of diseased cattle, the former base penalty-provision has been modified in their behalf, to be retained until July 1, 1936, when the former penalty provision on establishment of new bases will again be effective. Another change in the wording of the license requires distributors to cover financial obligations arising out of the license by depositing with the market administrator a bond or other security in amount equal to the value of the milk purchased from producers for one delivery period.

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GRAND RAPIDS MILK
LICENSE IS AMENDED

Adjustments of the Class 1 and Class 3 milk prices payable to producers, and insertion of a provision requiring distributors to pay new producers the Class 3 price for all their deliveries during a probation period of 90 days, are embodied in an amended milk license for the Grand Rapids, Mich., milk sales area which became effective May 1. Testimony at a special hearing on March 29, indicated that there was an ample supply of milk for direct consumption, and with the spring season of flush production at hand, it is deemed unwise to maintain a Class 1 price likely to attract a larger volume and depress the average net return to all producers. Hence the amended license provides a Class 1 price of \$2 instead of \$2.10 as before. At the same time the Class 3 price is advanced slightly, by providing for an allowance of 20 percent above Chicago 92 score wholesale butter quotations instead of 15 percent as before. The Class 2 price, payable for all milk used as fluid cream, remains the same as before, or 3-1/2 times the Chicago 92 score wholesale butter price plus 35 cents per 100 pounds.

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CLASS 2 PRICE CHANGE IN
CALIFORNIA MILK LICENSE

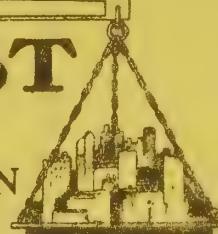
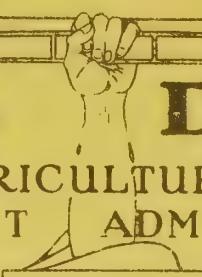
Amendments to the Alameda County, and the San Francisco, Calif., milk licenses which change the formula for determining the minimum price per pound of butterfat for Class 2 milk payable to producers in the sales areas became effective May 4. The change in the formula is made at the request of the agencies on the markets to bring the Class 2 milk valuation into closer relation with the current quotation on separated cream. The amendments provide that Class 2 milk will be paid for at a rate per pound of butterfat contained therein at a premium above the average San Francisco 92 score butter quotation for the period, amounting to 20 percent plus 12 cents per pound.

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NEWS DIGEST

AGRICULTURAL

ADJUSTMENT ADMINISTRATION



VOLUME 2, NUMBER 32

May 11, 1935

SOUTHEAST TUBER PACT TENTATIVELY APPROVED

An amended marketing agreement for potatoes grown in the southeastern states has been tentatively approved and is being sent to the industry for signature. The agreement would apply to potatoes grown in Florida, Georgia, South Carolina, North Carolina, Virginia, and Maryland. It would provide for period-to-period proration, regulation of grades and sizes shipped, and price-posting by shippers. The amended agreement, if made effective, would replace the agreement approved by the Secretary of Agriculture on July 12, 1934, which was drafted to include the same southeastern states as the amended agreement, but was made effective only for three districts, Virginia, Maryland, and that portion of North Carolina north of Albemarle Sound. Growers in the southwestern states have proposed an agreement similar to the amended southeastern agreement which is now receiving consideration. The agreement is intended to bring about a better adjustment of marketings to demand and thus to improve returns to potato growers.

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VEGETABLE AGREEMENT TENTATIVELY APPROVED

The Agricultural Adjustment Administration announced that an amended marketing agreement for fresh lettuce, peas, and cauliflower grown in western Washington has been tentatively approved. The existing agreement will remain in effect pending final approval of the amended agreement by the industry. Important new provisions in the agreement as tentatively approved are authority to regulate grades and sizes shipped, compulsory federal-state inspection of lettuce and cauliflower as well as peas, and standardization of containers.

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MULTIPLE FARM OWNERS LIMITED IN WHEAT VOTE

Wheat producers under wheat allotment contracts who own or operate more than one farm will be entitled to only one vote in the national wheat referendum on May 25, the Agricultural Adjustment Administration announced. The ruling applies to individual farmers, and also to institutional landlords such as insurance companies, land companies, and others who own more than one farm. Before the referendum is held, the name of the producer owning or operating more than one farm is to be forwarded to the community where it will be most convenient for the producer to vote. In the case of a producer who owns a farm in a given county, but does not reside in that county, the producer may apply to the county allotment committee of the county in which his farm is located for an absent voter's ballot. This ballot is then to be returned to the appropriate community committee in the county in which the producer's farm is located. At the time the ballot is sent to the absentee owner, he will be informed of the date by which the ballot must be returned.

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SPECIAL POOL TO FURNISH
BANKHEAD CERTIFICATES

In order to assure a supply of Bankhead Cotton Act tax-exemption certificates for producers who may wish to purchase them early in the 1935-36 ginning season, the

Agricultural Adjustment Administration announced the formation of a special pool of unsold equities now existing in the 1934-35 tax-exemption certificate pool. It is optional with producers whether their share of the pooled certificates will be placed in the special pool. Producers who did not participate in the 1934-35 pool but are holding tax-exemption certificates issued for use last year may also place these certificates in the special pool. This special pool will have tax-exemption certificates available for sale as early as ginning begins in the more advanced cotton growing areas. Surplus certificates will be sold by the pool at a price somewhat below the ginning tax fixed by the Bankhead Act. Unsold certificates totaling 180 million pounds, the equivalent of 376,000 bales, remain from the 1934-35 pool to be returned on a pro rata basis to producers who surrendered them for sale through the pool. These surplus certificates when not turned into the special pool, will be issued to producers as 1935-36 tax-exemption certificates and will be in addition to their regular allotment of such certificates under the 1935 program. The special pool will operate for a limited time only. At the expiration of the special pool, the proceeds, less operating expenses, will be divided pro rata among the participants and if any certificates should remain unsold they will be returned to participants on a pro rata basis. Producers who surrendered certificates to the pool last year will receive their final payment within the next few weeks. At the time these checks are distributed, each producer will be given an opportunity to repool his equity. Operation of the pool is being limited so that the sale of certificates turned into the special pool will not interfere with the sale of 1935-36 certificates by producers who may have a surplus this season. These producers, in most cases, will not be ready to sell surplus 1935-36 certificates until the cotton season is sufficiently advanced to indicate definitely to individual producers whether or not they will need all of their allotted certificates.

WILL SELL POOL COTTON
IN LIMITED AMOUNTS

Following repeated requests from mills and merchants for certain grades of cotton for immediate consumption.

the manager of the 1933 Cotton Producers' Pool announced that beginning immediately limited amounts of pool cotton would be available to the trade. After the market decline of March 11, the policy of selling stocks from the cotton pool and replacing these stocks with futures contracts was discontinued. Recently, the demand for certain grades of cotton has become strong because of limited amounts of these grades in the hands of the mills and the trade. The cotton pool will supply these demands for cotton on the prevailing basis, replacing the sales of actual cotton with futures contracts in order to maintain the net position of the pool.

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ANTI-HOG CHOLERA SERUM
CODE AUTHORITIES TO MEET

Members of the executive council of the Serum Code Authority, Inc., which administers the code of fair competition for the anti-hog cholera serum and the hog

cholera virus industry, will meet in Washington May 14 and 15 to discuss problems of the industry with representatives of the Agricultural Adjustment Administration. Among matters which will be taken up are the new classification for volume contract purchases, the status of future contracts at fixed prices, the possibilities for an economic survey for the industry, collection of cost data from producers, and a check-up under the code provision that each producer have available on May 1 of each year a supply of completed serum equivalent to at least 40 percent of his previous year's sales.

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OVER 10 MILLION PAID
U. S. SUGAR GROWERS

Adjustment payments totaling \$10,803,196 have been paid to continental United States sugar beet and sugarcane producers cooperating in the sugar adjustment program.

ment program, the Agricultural Adjustment Administration announced. Payments made are the first adjustment payments on the 1934 crop. The first 1934 payment on the sugar beet program is at the rate of \$1 a ton of beets on each producer's estimated production, based on average yields and actual planted acreage. The first 1934 sugarcane payment is at the rate of \$1 a ton of sugarcane on each producer's base production. The final adjustment payments on the 1934 crop, the rate of which depends in part upon the returns received from the sale of the crop, will be made when producers have complied with the terms of their contracts regarding acreage for the 1935 crop and other requirements. Sugarcane compliance work is near completion in Louisiana and preparations for this work are well under way for the sugar beet districts. The payments made are by States: California, \$1,057,082; Washington, \$19,822; Utah, \$736,688; Colorado, \$2,287,312; Wyoming, \$610,725; Montana, \$641,544; Kansas, \$104,162; Nebraska, \$840,238; South Dakota, \$112,494; Minnesota, \$87,482; Wisconsin, \$84,234; Michigan, \$435,915; Indiana, \$98,524; Ohio, \$116,274; Idaho, \$617,995; and Louisiana, \$2,952,698.

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RULING PERMITS MOLASSES
FROM SURPLUS SUGARCANE

An administrative ruling under the Philippine sugarcane production adjustment contract, permitting producers cooperating in the sugar production adjustment program to convert their surplus sugarcane into molasses for sale in the Islands and in the United States as livestock feed or for distillation purposes, has been approved by the Secretary of Agriculture. The ruling applies to the 1934-35 crop and limits the amount of molasses which may be made from surplus cane to 20 million gallons.

Permits for converting the surplus sugarcane into molasses may be applied for at the Manila office of the sugar section of the Agricultural Adjustment Administration. The terms of sale of sugarcane and molasses are to be arranged among the individuals concerned, subject to review by the Secretary of Agriculture. A similar administrative ruling has been made under the Puerto Rican sugarcane adjustment program.

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SUGAR ENTRIES IN FIRST
FOUR MONTHS OF 1935

The quantity of sugar entered for consumption in the United States during the first four months of 1935 from Cuba, the Philippines, Puerto Rico, the Virgin Islands, and Hawaii totaled 1,898,320 short tons, raw value, without polarization and final out-turn adjustments. This quantity has been charged against the 1935 quotas for the areas indicated, the sugar section of the Agricultural Adjustment Administration reported. The entries of sugar from January 1 to May 1 represented 42.6 percent of the total 4,454,019 tons admissible from those areas under the quotas established.

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DETROIT MILK
LICENSE AMENDED

An amended license for the Detroit, Mich., milk sales area became effective May 6. The changes make the terms of the license more specific as to requirement

of bonds or other security from distributors in relation to the value of their purchases of milk in any delivery period; and permit the market administrator to disclose the names of distributors who fail to perform specified acts defined in the license, within 15 days after the date on which such compliance is required under the license. No change is made in the minimum price schedule to producers carried in the original license or in any of the other provisions aside from the points noted.

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NEWS DIGEST

AGRICULTURAL

ADJUSTMENT ADMINISTRATION



VOLUME 2, NUMBER 33

May 18, 1935

EXTEND 1934 COTTON LOANS SIX MONTHS

The Commodity Credit Corporation has advised the Agricultural Adjustment Administration that the maturity date of cotton producers' loans on the 1934 crop, commonly referred to as 12-cent cotton loans, has been extended from July 31, 1935, to February 1, 1936. Direct loans by the Commodity Credit Corporation upon eligible cotton under the 12-cent loan plan will be available to producers until July 31, 1935. Extension of the maturity date of these loans means that producers who have obtained 12-cent cotton loans may make repayment, obtain the release of their pledged cotton warehouse receipts, and secure the advantage of any market rises between now and February 1, 1936. It means also that no cotton pledged as security for 12-cent loans will be taken over or sold by the Commodity Credit Corporation prior to February 1, 1936, except as provided under the terms of the loan agreement. One of these provisions is that middling 7/8 inch cotton must reach 15 cents a pound on the New Orleans market before it can be liquidated by the Commodity Credit Corporation prior to the extended maturity date of the loans. Banks and other lending agencies will be permitted to carry the notes made subsequent to June 30, 1935, by extending and furnishing to each loan agency of the Reconstruction Finance Corporation holding such notes for the bank or lending agency a supplemental contract to purchase. Under this supplemental contract to purchase, the Corporation will purchase the notes subsequent to June 30, 1935, upon request of the bank or lending agency, paying therefor the face amount of the contract plus the prevailing rate of interest in accordance with the present contract to purchase from the date of the note to June 30, 1935 and interest at the rate of 1-1/2 percent from June 30, 1935, to the date of purchase. Provision has also been made whereby banks or lending agencies may transfer the notes to other banks. As of May 10, 1935, the Corporation had received advices of cotton loans to producers totaling \$268,868,886.55 on 4,406,787 bales of cotton. Of this amount, the Corporation had disbursed only \$36,537,719.56 on 594,894 bales of cotton, the balance of the notes being held by banks or other lending agencies.

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FARM HOUSEWIVES ARE BUYING AGAIN

Farm housewives of the Nation are once more able to buy the household furniture, equipment, and fittings long denied them because of depleted farm purchasing power,

it is indicated by the study of railroad waybills carried on by the Agricultural Adjustment Administration. Carload shipment of manufactured goods for domestic and personal use, over four important railroads of the Southeast, increased by 57.6 percent, from 115,649,678 pounds to 182,308,112 pounds in the first year after the agricultural adjustment program and other recovery measures took effect. The shipments originated in 16 Northeastern industrial states and were delivered in 10 states of the agricultural Southeast. Two successive periods of one year each were covered by the study. The first year, beginning July 1, 1932, and ending June 30, 1933, preceded the actual launching of the agricultural adjustment programs. The second year, beginning July 1, 1933, and ending June 30, 1934, covered a period when results of the program had begun to be felt.

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HEARINGS ON LICENSE
FOR WOOL AND MOHAIR

A proposed license for dealers in wool and mohair, which would become effective Jan. 1, 1936, will be considered at a series of public hearings starting July 2, the Agricultural Adjustment Administration announced. The license would be designed solely for supervising trade practices and selling charges. In addition to scattered local buyers, there are about 275 wool dealers in the country. According to trade estimates, 12 to 15 of them handle 85 percent of the business. The trade centers in Boston, Mass. The license as proposed would provide for an advisory committee made up of 5 grower-members elected by production districts and 4 dealers-members chosen at a general election. It would be administered by an official named by the Secretary of Agriculture. Administration costs would be borne by the Adjustment Administration. Twelve trade practices involving transactions between dealers or between growers and dealers would be listed as unfair. Two are of particular interest to growers. The first is the sale of growers' wool or mohair on commission by any member of the trade who buys or sells wool on his own account. The second is deducting an arbitrary flat discount for "tags" or other off-sort wool or mohair without reference to the actual condition of the lot being sold. Listing this practice as unfair would prohibit making the same deduction for lots with no off-sort wool as for lots with a huge percentage of off-sort. A provision of the proposed license would require each licensee to confine transactions in wool and mohair either to consignment or to outright purchase and sale. This, and other provisions of the proposed license would relate only to wool or mohair acquired on or after Jan. 1, 1936. Commitments for wool or mohair made before that date would not be affected. The schedule of hearings follows: July 2 and 3, Boston; July 8 and 9, Denver; July 11 and 12, Billings, Mont.; July 15 and 16, Portland, Ore.; July 18 and 19, San Francisco; July 23 and 24, Salt Lake City; July 29 and 30, San Angelo, Texas; August 1 and 2, Kansas City, Mo.; and August 5 and 6, Columbus, Ohio.

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NO OBLIGATION TO SIGN
CONTRACT IN WHEAT VOTE

Voting in the national wheat referendum on May 25 places no obligation upon any farmer to sign a new adjustment contract, according to the director of the division of grains of the Agricultural Adjustment Administration, who points out that reports that participation in the referendum obligates the producer to sign further wheat contracts are incorrect. The referendum is simply upon the question of whether farmers favor continuing a wheat adjustment program after the present one expires, that it is open to both signers of the present contract and non-signers and that the vote is secret. Every eligible farmer may vote in the referendum without obligating himself in any way.

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SOUTHWEST POTATO PACT
TENTATIVELY APPROVED

A marketing agreement for shippers and producers of southwestern potatoes has been given tentative approval by the Secretary of Agriculture and is being sent to the industry for signature. The agreement would apply to the western section of Florida and to the states of Alabama, Louisiana, Mississippi, Tennessee, Texas, Arkansas, Oklahoma, Kansas and Missouri. In form it is almost identical with the agreement for southeastern potatoes which recently received tentative approval. It provides for period-to-period proration, regulation of grades and sizes shipped, and price-posting by shippers. It includes no provisions for individual allotments to growers because existing legislation does not fully authorize such allotments. Under the agreement contracting shippers request and consent to a license to be issued by the Secretary of Agriculture at the time the agreement is finally approved.

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FLORIDA SUGARCANE
PROGRAM APPROVED

A sugar production adjustment program for Florida has been approved by the Secretary of Agriculture. The program covers the 1934-35 and 1935-36 crop years and may also be extended to the 1936-37 crop year. The base marketing allotment for Florida is 39,800 short tons in terms of 96 degree sugar. Sugarcane allotments to Florida producers have been based on past experience and acreage allotments, which past yields indicate will be sufficient to produce the marketing allotments, have been established. Actual production may exceed marketing allotments by not more than 10 percent. These provisions in the contract, definitely establishing the quantities of sugarcane to be produced, make the use of base acreage "options" unnecessary. The program provides for adjustment payments to producers in 1934-35 of not less than \$1.25 per ton of sugarcane. In addition there is to be paid to the producers \$1.15 per ton of sugarcane in 1934-35 as a deficiency payment on the difference between the production allotment and the tons of cane actually harvested for grinding in 1934-35. For the 1935-36 crop there is to be an advance payment of not less than 50 cents per ton of sugarcane produced in the crop year. The final payments provided for, when added to the advance payment and the value of the sugarcane are to result in a price equal to the 1935 parity price of sugarcane. In 1935-36 deficiency payments, because of bona fide abandonment, will be \$1 per ton if abandonment takes place before December 1, and \$1.15 per ton if abandonment takes place after that date. If the contract is extended to 1936-37 by the Secretary of Agriculture, the benefit payments are to be determined by him on a basis similar to that employed during 1935-36. The contract contains labor provisions similar to those in other sugar adjustment contracts.

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1935 BEET SUGAR
ALLOTMENTS MADE

Allotment of the 1935 continental beet sugar marketing quota of 1,550,000 short tons to 27 processing companies after the creation of a reserve for further allotment, was announced by the Agricultural Adjustment Administration. The allotments were made by the Secretary of Agriculture under authority of the Jones-Costigan Amendment to the Agricultural Adjustment Act. Similar allotments were made for 1934. The allotments to processors total 28,746,963 bags of direct-consumption sugar of 100 pounds each, and the reserve for further allotment and adjustments totals 225,000 bags. The 1935 allotments, which give effect to the continental beet sugar quota as announced in General Sugar Quota Regulations, Series 2, recognize the normal marketing requirements relative to new crop sugar, as well as the effective inventories as of January 1, 1935. The order making the allotments, Continental United Beet Sugar Order No. 6, also provides that any processor who considers himself aggrieved because of the allotments made, may apply to the Secretary of Agriculture for a public hearing to be held with respect to the adjustment of such allotment.

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RAW SUGAR
QUOTAS FILLED

The quotas of raw direct-consumption sugar admissible into the United States for 1935 from the Philippine Islands and Puerto Rico have been filled, the sugar section of the Agricultural Adjustment Administration announced. Raw direct-consumption sugar is raw sugar which is used in certain products without further processing. The quota of this type of sugar admissible in 1935 from the Philippine Islands was 9,996 short tons raw value, and the quota of the same type of sugar for entry from Puerto Rico was 9,590 short tons raw value. Under the quota provisions of the Jones-Costigan Act, when the quota for any type of sugar for any area is filled, no more of that type of sugar can enter the United States from that area during the current calendar year unless it is stored in bond in accordance with special regulations of the Agricultural Adjustment Administration.

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MARKET BEEF SUPPLIES
ARE ABOVE NORMAL

Market supplies of beef are above normal and there are nearly normal numbers of cattle and calves on farms, according to a review of the cattle situation, announced by the Agricultural Adjustment Administration.

In spite of the most drastic reduction in cattle numbers on record, brought about by the drought of 1934, numbers of cattle and calves on farms are still about 4 million more than in 1928 and only about half a million under the average for the previous 10 years. Inspected slaughter of cattle, exclusive of Government slaughter for relief, for the first four months of 1935 was 8.5 percent above the average for the same months in the previous five years, and 8 percent below the same period in 1934 when cattle slaughter was unusually large, according to the records of the United States Bureau of Animal Industry. Inspected slaughter of calves was 13 percent above the average for the same period in the previous five years and 6 percent below the first four months of 1934. Storage holdings of beef in public warehouses and packing plants of 78 million pounds on May 1 this year were 67 percent greater than a year ago and 54 percent greater than the five-year average for May 1. These storage holdings of beef are exclusive of the supplies conserved in the drought program and held in storage by the Federal Surplus Relief Corporation for distribution through relief channels. Storage holdings of beef, exclusive of Federal Surplus Relief Corporation holdings, constitute 13.5 percent of the total storage holdings of all meats on that date. Storage holdings of all meats, exclusive of Federal Surplus Relief Holdings, on May 1 were 6 percent less than on May 1 last year and 16 percent smaller than the 5-year average. Retail meat prices averaged 39 percent higher during the first four months of this year than in 1933, but were approximately 24 percent lower than in 1929, while the price of all foods was 22 percent lower than in 1929. Prices of non-agricultural products for the first three months of 1935 were only 15 percent lower than for 1929. The average farm price of cattle, which dropped from \$9.15 per 100 pounds in 1929 to \$3.63 in 1933, had risen to \$5.05 January 15, 1935 and to \$6.71 in April this year. Government purchases of cattle under the emergency drought relief program totaled 8,296,398 head.

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CALIFORNIA FRUIT PACT
TENTATIVELY APPROVED

An amended marketing agreement for growers and shippers of California fresh deciduous tree fruits except apples has been tentatively approved and is being sent to the industry for signature. Major differences from the original agreement are the changing of the control committee from an organization of shippers to one in which growers are in the majority, and the replacing of the single proration committee with a commodity committee for each of the six principal fruits included in the agreement. Changes embodied in the amended agreement were drafted with the object of making more effective the effort to bring California fruit growers' incomes toward parity. Twelve thousand growers are affected by the agreement and in 1934 the farm value of the crops it covers was \$22,291,000.

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NEWS DIGEST

AGRICULTURAL

ADJUSTMENT ADMINISTRATION

VOLUME 2, NUMBER 34

May 25, 1935

BUTTER PACTS WITH STATES OPEN TO FURTHER STUDY

Immediate activity on the part of the Agricultural Adjustment Administration under such regional butter marketing agreements as are proposed in the Pacific Coast area will be limited to states which have requested Federal regulation of interstate movements of butter and cream and which have already adopted or will soon adopt some form of state regulation for these products. Interested parties in the areas where recent hearings were held have been informed that in order to complete such regional butter agreements in the states that are prepared to take immediate action it will be advisable and in some cases necessary, to perfect common rules and regulations affecting the interstate movement of butter and butterfat in conformity with the powers and within the jurisdiction of the Federal government. To that end, conferences with state authorities and members of the industry will be held. It was also made clear that no immediate action would be taken on a proposed agreement unless the record of hearing indicates that a majority of the members of the industry favor such action.

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ASK RETENTION OF AGREEMENT FOR CALIFORNIA PEACHES

Growers and canners of California cling peaches used for canning have filed applications for a formal hearing on a marketing agreement for the 1935 cling peach crop, the Agricultural Adjustment Administration announced. The application of the Canners League of California was accompanied by a copy of the proposed new agreement. The Canners League reported that its application was authorized by unanimous vote of its members at a general meeting. Last year, it added, its members packed 87 percent of the cling peaches packed in California. Applications also were received from the Tri-Valley Packing Association, the California Farm Bureau Federation, and California Lands, Inc.

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RULINGS INCREASE RICE ACREAGE ALLOTMENTS

Amendments to two administrative rulings that increase rice acreage allotments and production quotas for three Southern states and for California, have been approved by the Secretary of Agriculture. As a result of the amendments the combined authorized rice acreage of Arkansas, Louisiana, and Texas becomes 663,615 acres instead of 642,000. The quota for the three states now is 7,898,766 barrels instead of 7,743,888 barrels. For California acreage allotment is raised from 94,296 to 97,125. The production quota is raised from 2,708,810 hundred-weight to 2,767,986 hundredweight.

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COLORADO MELON AGREEMENT HEARING

A public hearing on a proposed marketing agreement for shippers and growers of Colorado melons will be held at Ordway, Colo., May 29. As proposed by members of the industry located in the Arkansas valley, the chief melon-producing area in the state, the agreement contemplates increasing returns to growers by improving the quality of melons shipped.

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BILLION POUNDS OF MEAT
CONSERVED BY GOVERNMENT

Nearly a billion pounds of meat were made available to those on relief rolls through the Government's emergency purchases of cattle, hogs, sheep and goats. The conservation purchases were made by the Agricultural Adjustment Administration and the animals turned over to the Federal Surplus Relief Corporation for processing and distribution to families on relief rolls. About half of the cattle and sheep purchased were processed by relief labor under the supervision of State Emergency Relief Administrations. About 790 million pounds of beef and mutton were conserved through the emergency cattle and sheep purchase program, and approximately 104 million pounds of pork and lard resulted from the emergency sow and pig purchase program. Storage supplies of meat held by the Federal Surplus Relief Corporation on May 1 included 115,224,187 pounds of beef, 7,977.402 pounds of veal, and 5,572,183 pounds of mutton, a total of more than 128 million pounds. In addition, it is estimated that State Emergency Relief Administrations still have in storage an equal amount, making a total of more than 250 million pounds of meat still available for distribution to those on relief. All of the pork products obtained through the hog purchase program have been distributed.

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FARMERS GET FIRST
COTTON PAYMENTS

A total of 319,999 first rental payment checks had been sent through May 20 to farmers taking part in the 1935 cotton production adjustment program. These checks represented payments totaling \$10,925.495. As of the comparable date a year ago, only 117,109 checks totaling \$4,739.857 had been prepared for mailing. The rental payment on each of the acres rented under the cotton program is $3\frac{1}{2}$ cents per pound on the average yield of lint cotton per acre, with a maximum rental of \$18 an acre. In 1934, with the rental payment at the same rate, the average rental payment per acre under contract was \$6.12 an acre. The rental payment is made in two installments, one of which is going out now. The second installment will be paid in the fall after compliance with the contract is proven. A parity payment of $1\frac{1}{4}$ cents a pound will be made on the farm allotment for each farm under contract. The farm allotment is approximately 40 percent of the adjusted average production. The rental and parity payments for the entire 1935 cotton program are expected to total approximately 125 million dollars.

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CALIFORNIA RAISIN
AGREEMENT AMENDED

Amendments to the marketing agreement and license for packers of California raisins became effective May 22. They are designed to prevent packers from purchasing growers' equities in the reserve tonnage of raisins and to provide for the election of alternates to the control board which administers the agreement. Under the marketing agreement and license a fixed percentage of the raisins delivered by growers to packers is turned over to the control board to be subsequently disposed of for the account of the grower. Under the agreement it has been possible for packers to purchase growers' equities at prices which may not be in line with final returns from the reserve tonnage. The industry and the Agricultural Adjustment Administration are of the opinion that the amendments, by prohibiting the purchase of equities, will eliminate possibilities of inequities among growers and among packers. The growers however may assign their interest in the reserve tonnage as security for loans.

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EVAPORATED MILK
PACT TERMINATED

The evaporated milk marketing agreement which was instituted by the Agricultural Adjustment Administration in September, 1933, at the request of a majority of the manufacturers, will be terminated as of May 31, the Agricultural Adjustment Administration announced. Negotiations in behalf of a modified agreement which would include a license, have been under way since early this year. This modified document has been in the hands of the industry since March and approximately 50 percent of the manufacturers, who handle more than three-fourths of the volume of the evaporated milk produced, have indicated their approval of the principles involved in the revised agreement. However, some manufacturers signed the proposed modified agreement on which a license would be based only after they had added certain new specific clauses modifying the agreement as it has been tentatively approved by the Secretary. Some of these provisos, inserted by the minority of the manufacturers, are not in line with the position or policy of the Administration or are not deemed essential to the completion of an agreement. Therefore it was decided to recommend termination of the present agreement at this time rather than to extend it another month, as several extensions of time to secure proper endorsement by the industry have already been granted without result. Without the approval of a majority of the manufacturers for an agreement, the Adjustment Administration does not regard it as desirable to institute such an agreement, accompanied by a license, to replace the terminated instrument. Comparative stability has been general in the industry throughout the life of the agreement. For that reason, producers favor its continuance as a means of protecting them from possible recurrence of the disorganized and unsatisfactory conditions that existed before the agreement was established in 1933.

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AMENDED MILK LICENSE
FOR FORT WORTH AREA

Amendments to the milk license for Fort Worth, Texas, which include elimination of minimum resale prices, introduction of a basic-surplus market plan of payment to producers, and adjustments in the classified prices payable to producers to meet practical conditions now existent on the market, became effective May 22. The basic-surplus market plan replaces a straight pool plan. Some adjustment downward in the class prices payable to producers was deemed necessary owing to plentiful rains which tend to increase deliveries of milk. The original Class 1 price, defined in the license during a severe drought period, was \$2.60 per 100 pounds of 4 percent milk. Under the amended license, the Class 1 price will be \$1.86 per 100 pounds. This is a minimum price, leaving dealers free to pay producers premiums above that amount without violation of the license. The Class 2 price named in the amended license is \$1.60 per hundredweight instead of \$1.90 as before. For Class 3 milk producers will receive a minimum price of four times the average price per pound of 90 score centralized carlot butter at Chicago, instead of using that formula plus 5 cents additional per hundredweight. Aiming at the use of a differential for butterfat in milk above or below the standard 4 percent test which would guarantee a fair return for butterfat midway between butter value and fluid milk value, the license has been amended to provide 3 cents differential per one-tenth of one-percent in the test instead of 4 cents as before. Deductions of 2 cents per hundredweight from payments to producers to meet the cost of administration have been found inadequate, hence the amended license, with the support of producers, provide for a deduction of 3 cents per hundred pounds of milk to cover the supervisory work of the market.

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NEWS DIGEST

AGRICULTURAL ADJUSTMENT ADMINISTRATION

VOLUME 2, NUMBER 35

June 1, 1935

WHEAT FARMERS VOTE 7 TO 1 FOR PROGRAM

Practically complete returns on the wheat referendum held May 25 show that 86.6 percent of all farmers voting in the referendum favor continuance of crop adjustment for this basic commodity, the Agricultural Adjustment Administration announced. Of the total vote of 458,973 reported up to noon, May 30, by State Extension Directors, 397,840 farmers had voted for continuance and 61,133 had voted against it. Of the total votes cast, 392,383 were by contract signers and 66,590 were by non-contract signers. Contract signers voted 89 percent in favor of continued adjustment, the latest report showing 349,495 for and 42,888 against. Non-signers also favored the program by a large vote, the percentage being 72.5 percent as shown by 48,345 for the program and 18,245 against it. The latest reports show that the 392,383 contract signers voting represent nearly 68 percent of the approximately 579,000 contracts which have been approved. Contract signers under the wheat program control approximately 51 million acres of the total of 66 million acres seeded in the United States during the years 1930-32. The wheat referendum was upon the single question: "Are you in favor of a wheat production adjustment program to follow the present one which expires with the 1935 crop year?" It was taken after discussion meetings had been held in all of the 1,763 counties in which the program is operative. The balloting in the referendum was in charge of the local community wheat association committees. Other referenda have been held for tobacco, cotton, and corn and hogs. The percentage of farmers voting in the tobacco referendum who favored continuance of adjustment was 97.3 the percentage of voters favoring cotton adjustment was 89.4 and the percentage of voting contracting corn-hog farmers favoring adjustment was 69.9.

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NEW EVAPORATED MILK AGREEMENT ISSUED

A marketing agreement and license for the evaporated milk industry became effective June 1. Simultaneous with the signing of the new agreement a termination order became effective cancelling the original marketing agreement, which was instituted September 8, 1933. The agreement and license establish minimum prices to producers for milk delivered to evaporating plants based on current butter and cheese quotations, and open filing by contracting manufacturers of the selling prices of evaporated milk in the form of case goods. The maximum and minimum selling prices by manufacturers to the trade by regions, contained in the former agreement, have been eliminated.

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BOSTON MILK PRICE RETAINED

An amendment to the Boston milk license continuing the producer price of \$3.49 per 100 pounds of Class 1 milk testing 3.7 percent, became effective June 1. The amendment also provides that distributors must pay new producers the Class 2, or cream price, for all their deliveries during a 90-day probation period. It also provides that cooperative associations of producers may make deductions from milk payments to their membership in an amount not exceeding 10 cents per 100 pounds.

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NEW WHEAT ADJUSTMENT
CONTRACT BEING DRAFTED

As a result of the referendum in which growers voted in favor of continuance of a wheat production adjustment program to follow the present one which expires with the 1935 crop year, the Agricultural Adjustment Administration has started drafting a new wheat adjustment contract to cover the years 1936, 1937, 1938 and 1939. It is hoped to have the new contract ready to offer wheat growers some time during July. The new contract, which is expected to follow in general the contract now in effect, will cover a 4-year period. At the end of any marketing year, however, 25 percent of the producers in any major wheat area, such as the spring wheat area, may by petition initiate a national referendum upon continuance. The base acreage and production periods used in the present contract will be continued in the new contract, but it is expected that provisions to adjust certain inequitable allotments which occurred during the first program, will be included. The maximum acreage adjustment which may be asked under the new program is 25 percent of the base acreage. The present contract calls for as much as a 20 percent adjustment, but the largest that has been asked was 15 percent in 1934. The 25 percent limit is being placed in the present contract as an added margin of safety for production adjustment, if a series of heavy crop years should threaten burdensome surpluses. Local administration of the program by the local county wheat associations will be continued with somewhat greater responsibility in some phases of administration to be given to the local associations.

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HIGHER MILK PRICE
IN KALAMAZOO LICENSE

An amendment to the Kalamazoo, Mich., milk license which increases the prices to producers for both Class 1 and Class 2 milk, became effective June 1. The amendment advances the Class 1 price from \$1.85 per 100 pounds of 3.5 percent milk to \$2. or from about 3.9 cents to 4.3 cents per quart, and also slightly advances the returns to producers for milk used as Class 2 or for cream purposes, from a premium of 35 cents over 3.5 times the average Chicago wholesale 92 score butter quotation, to 40 cents premium over that figure. The advance to producers is believed advisable because of relatively stable production conditions in the area, better consuming demand based on more normal employment conditions, and because the new schedules are in line with price levels of competitive manufactured dairy products. The distributors have been paying producers the \$2 price for Class 1 milk since March 1, 1935, although the license itself defined a minimum price of \$1.85, and are agreeable to continue such rate of payment.

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LOWER CLASS 1 PRICE
IN WICHITA LICENSE

An amendment to the milk license for the sales area of Wichita, Kan., became effective June 1. The amendment reduces the minimum price payable to producers for Class 1 milk from 60 cents to 50 cents per pound of butterfat, or from about 4.9 cents to 4.1 cents per quart on 3.8 percent milk. The new price is deemed advisable because of steadily increasing volume of production with little or no increase in sales of fluid milk for direct consumption as Class 1, making a temporary lowering of the Class 1 price seem practical to the agencies on the market, at least during the period of flush production.

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SOUTHERN BUSINESS FIRMS
BUYING MORE FROM NORTH

Not only farmers and their families but also business firms of the agricultural southeast are buying increased quantities of manufactured commodities from the industrial northeast as a result of the increased income of cotton and tobacco growers, according to a study made by the Agricultural Adjustment Administration. The study shows that cash income of farmers in 10 southeastern states increased 59.9 percent in the first year in which the agricultural adjustment program and other new measures aimed at recovery were effective and that 16 northeastern industrial states shipped to the southeast approximately 43.4 percent more of the industrial commodities used in industry and commerce in southeastern states. Statistical information on which the study is based was obtained through an examination of waybills of carlot shipments of goods into the southeast over four important railroads. The carlot shipments represented by the waybills examined represent more than 95 percent of the total weight of all shipments made to the southeast. Two successive periods of one year each were covered by the study of waybills. The first year, beginning July 1, 1932, and ending June 30, 1933, preceded the actual launching of the recovery programs. The second year, beginning July 1, 1933, and ending June 30, 1934, covered a period when the results of the agricultural adjustment program and other recovery measures had begun to be felt. For the year ending June 30, 1933, the northeastern industrial states shipped only 827,180,499 pounds of commodities for use in industry and commerce of the southeast. In the next year ending June 30, 1934, the northeast shipped to the southeast a total of 1,185,937,-766 pounds of products used in southeastern industry and commerce. This represented an increase of 43.4 percent. During the same periods, cash farm income from crops and benefit payments to southeastern farmers cooperating in agricultural adjustment programs increased from \$451,637,000 to \$711,017,000. The 10 states in which the industrial commodities were delivered were Virginia, North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi, Tennessee, Kentucky and West Virginia. The 16 states from which these industrial commodities were shipped were Maine, New Hampshire, Vermont, Massachusetts, Connecticut, Rhode Island, New York, Pennsylvania, New Jersey, Delaware, Maryland, Ohio, Michigan, Indiana, Illinois and Wisconsin.

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CANTALOUPE PACT SEEKS
HIGHER GROWER RETURNS

A marketing agreement for cantaloupes grown in North Carolina has been tentatively approved by the Secretary of Agriculture and is being sent to growers and shippers

for their signatures. It is the belief of the growers who suggested the agreement that their income can be increased by raising the standards for cantaloupes marketed. The agreement is designed, therefore, to improve the quality of cantaloupes put on the market rather than to control volume shipped at any time. There are about 800 growers in North Carolina. Last year, 220,000 crates, representing \$119,000 in farm income, were marketed. Under the agreement, shipment of immature or seriously damaged cantaloupes would be prohibited. Standards for cantaloupes eligible for shipment have been written into the agreement, although the control committee administering the agreement would be given some latitude in determining specific maturity standards. Inspection by the federal-state service would be compulsory. It would be required, also, that each container be marked with the grade of cantaloupes it held, and with the name of the producer or shipper. The control committee would consist of seven members. Four would be elected by the growers of their respective districts. Three would be elected at large by the shippers of the state.

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NEWS DIGEST

AGRICULTURAL ADJUSTMENT ADMINISTRATION

VOLUME 2, NUMBER 36

June 8, 1935

RAINS IN DROUGHT AREA EASE RELIEF NEEDS

With grass and green feed crops gaining sufficient growth to sustain livestock in a large part of the area stricken by the spring drought of 1935, the Government's drought relief operations are now being centered on methods for facilitating return of foundation livestock to the drought areas, and distributing crop seeds especially adapted to these areas. The Federal Livestock Feed Agency is curtailing its activities and the Cattle Transfer Unit is discontinuing operation. Most of the drought area of 1934 was relieved by spring rains, but a large sector comprising 131 counties in eastern Colorado, western Kansas, southwestern Nebraska, northeastern New Mexico, western Oklahoma and west Texas, was designated as drought territory as of May 17, 1935. The drought designations will be effective until June 30. New designations will include counties where any danger remains, and where the areas have not returned to a self-supporting basis in livestock feed. Western railroads cooperating with the Government in drought activities issued June 4 a tariff extending to producers who shipped cattle out of the drought area in 1934 for feeding, the privilege of returning such cattle up to and including June 30, 1936 at 15 percent of the normal commercial rate. Cattle shipped out of the drought area during the period June 4, 1934 to December 31, 1934, under the emergency tariff, are eligible for the reduced return 15 percent rate. Cattle shipped out of the 1935 drought area after and, up to and including July 20 at the reduced rates also may be shipped back before June 30, 1936 at the 15 percent rate. On June 5 western carriers also put into effect a tariff which re-establishes reduced rates on shipments of hay, straw and other roughage to the 1935 drought area, which received rains only recently and will continue to rely upon shipments of dry feed until pasture has attained sustaining growth. Under this rate, shipments of hay to the 131 drought counties in Kansas, Colorado, Oklahoma, Texas, New Mexico and Nebraska command a rate of 66-2/3 percent of the normal hay rate, while straw and other roughage may be shipped into the area at 50 percent of the normal hay rate. The new rate expires August 31, 1935.

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PROGRAM EXPENDITURES SHOWN IN REPORT

Rental and benefit payments to producers cooperating in the adjustment programs, expenditures in connection with programs for removal and conservation of surplus agricultural commodities, and other adjustment expenditures chargeable against receipts from processing taxes reached a total of \$790,062,385 as of May 1, 1935, cumulative during the two years, since the date of organization May 12, 1933, the Agricultural Adjustment Administration stated in its comptroller's monthly report. For the same period, processing tax receipts totalled \$824,430,579. The report also lists expenditures amounting to \$211,533,906 up to May 1, 1935 which are chargeable against net appropriations of \$398,418,639, or are financed through special trust fund receipts, and which are not financed by processing taxes. The total of all expenditures up to May 1 for which funds are provided either by processing taxes or by specific appropriations is shown as \$1,001,596,291, made up of rental and benefits of \$727,391,226; removal of surplus operations involving \$225,430,069, and administrative expenses of \$48,774,996.

FLUE-CURED GROWERS
TO VOTE ON PROGRAM

A referendum will be conducted this month to determine whether growers of flue-cured tobacco favor a production adjustment program to follow the present flue-cured program which expires with the 1935 crop, the Agricultural Adjustment Administration announced. Flue-cured tobacco is grown chiefly in North Carolina, South Carolina, Virginia, Georgia and Florida. All share-tenants, share-croppers, renters and landowners who are actually engaged in production of tobacco in 1935 will be eligible to vote in the referendum regardless of whether they have signed production adjustment contracts. The ballots will carry the question: "Are you in favor of a tobacco production program to follow the one which expires with the 1935 crop year?" June 29 has been designated as the final day on which ballots will be accepted by county agents. While the exact nature of the 1936 program, should one be favored, has not yet been definitely decided, each ballot has printed on the back an outline of the principal features under consideration for possible incorporation in a new flue-cured program. These features are: Provision for maintaining production around level of consumption inasmuch as surplus stocks have been removed. Rate of reduction from base not to exceed 35 percent. Payments at such rates as would tend to make the domestically consumed portion of total production under contract bring a return to producers of an amount equal to the parity price, or fair exchange value. Use of previously established base with adjustment downward in accordance with reasonable standards by not more than 10 percent for any growers whose bases are exceptionally large as compared with the bases established by other growers whose situation is similar. Acreage obtained by this reduction and some additional acreage to be used for upward adjustments in accordance with reasonable standards for growers whose bases are abnormally low.

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HEARING ON TAX EFFECT
ON FILLER COTTON

A filling material for mattresses, pillows, pads and cushions will be held in the Hotel Peabody, Memphis, Tenn., June 17. The hearing is being held pursuant to Section 15, subsection D of the Agricultural Adjustment Act, which provides for the suspension or refund of the tax if it is determined that any class of products of any commodity on which a processing tax is levied is of such low value, considering the quantity of the commodity used for their manufacture, that the imposition of the processing tax would substantially reduce consumption and increase the surplus of the commodity.

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CLING PEACH PACT
SCHEDULED FOR HEARING

A proposed marketing agreement and license for California cling peaches used for canning during the 1935 season will be the subject of a hearing on June 10 at the Court House in Sacramento, Calif. The proposal calls for limiting the 1935 pack to peaches of No. 1 grade. In contrast to the agreements which were in effect in 1933 and in 1934, the agreement would fix no maximum pack or tonnage for canning. Consequently there would be no necessity for issuing certificates covering deliverable tonnage for canning, or for making a detailed orchard survey for crop estimate purposes. The proposed 1935 agreement is simpler than its predecessors because the lightest peach crop in several years is in prospect. Growers and canners have expressed the belief that the pack will not be excessive if all No. 1 peaches are canned.

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SUGAR ENTIRES CHARGED
AGAINST 1935 QUOTAS

The quantity of sugar entered for consumption in the United States during the first five months of this year from Cuba, the Philippines, Puerto Rico, the Virgin Islands, and Hawaii totalled 2,400,644 short tons, raw value, without final polarization and final outturn adjustments. This quantity has been charged against the 1935 quotas for the areas indicated, the sugar section of the Agricultural Adjustment Administration announced. The report covering entries of sugar from January 1 to June 1 shows that the quantity entered represented 53.9 percent of the total of 4,454,019 tons admissible from those areas under the quotas established for 1935. Such quotas and the balances available for the rest of the year under such quotas are subject to change under the Jones-Costigan Act when effect is given to the revised data on hand as a result of the investigation of importations from the producing area in the so-called "basic" years, or if consumption changes, or if any other debits or credits required under the provisions of the Act are given effect.

MOLASSES FROM EXCESS
SUGARCAKE TAX-EXEMPT

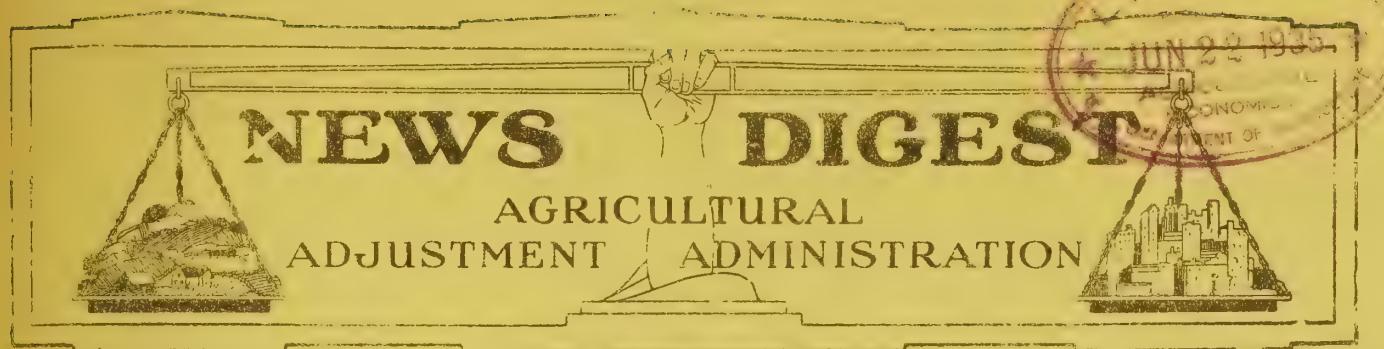
Molasses and sirup made from sugarcane that is surplus under sugarcane adjustment contracts has been exempted from payment of the processing tax, if these products are used for livestock feedstuffs or for distillation, the sugar section of the Agricultural Adjustment Administration announced. The exemption under Sugar Regulations, Series 1, No. 2, approved June 3, applies mainly to Puerto Rico and to the Philippines. In both areas, administrative rulings on the production adjustment contracts provide that sugarcane in excess of that needed to produce the sugar quotas for the area may be ground into molasses or sirup for shipment to the United States to be used for livestock feedstuffs or distillation purposes.

BEET GROWERS ADVISED OF
CHILD LABOR COMPLIANCE

Sugar beet production control committees were advised by the Agricultural Adjustment Administration that full compliance with the child labor provisions of sugar beet production adjustment contracts must be checked and certified before the final 1934 and first 1935 adjustment payments can be made. The sugar beet production adjustment contract prohibits labor of children under 14 years of age in the sugar beet fields and limits the labor of children between 14 and 16 years to 8 hours a day. Children of the producer signing the contract are exempt from this provision, as well as children of tenants who actively participate in management of a farm they lease. Officials of the sugar section pointed out that the recent decision of the Supreme Court on NRA codes does not affect the labor provisions of the sugar adjustment contracts as these provisions are based upon voluntary agreement between the Government and the producers.

TWIN CITIES MILK
LICENSE AMENDED

In order that the fluid milk price may be kept in line with the competitive price of milk used for manufacturing purposes under the prevailing butter market quotations, the Class 1 price payable to producers under the milk license for the Twin Cities of Minnesota (St. Paul and Minneapolis) has been changed from \$1.95 to \$1.75 per 100 pounds of 3.5 percent milk, f.o.b. plants in the sales area. The amendment making the change went into effect on June 5.



VOLUME 2, NUMBER 37

June 15, 1935

NEARLY 3 MILLION FARMERS
VOTED IN FOUR REFERENDA

A recapitulation of final figures from the four agricultural referenda held during the last eight months was announced by the Agricultural Adjustment Administration. The total vote cast in the four referenda, according to approximately complete figures was 2,918,678. Of this number, the vote in favor of continuing the programs was 2,511,109, and the total of those opposing was 407,983. More than 86 percent of the votes cast favored continuance. Also, the total vote shows that the percentage of farmers who participated in the several referenda, compared to the total number of those who were eligible to vote, was considerably higher than the usual percentage of eligibles voting in civil elections. The total vote was divided as follows: corn-hog referendum, 535,690; Bankhead Cotton Act, 1,521-887; Kerr-Smith Tobacco Act, 394,540; wheat referendum, 466,561. The vote for continuance of the respective programs was: corn-hogs, 374,585; cotton, 1,361,347; tobacco, 370,907; and wheat 404,270. In the corn-hog referendum approximately 70 percent of the votes cast were in favor of continuance. The percentages in the other three referenda were cotton, over 89 percent; tobacco, over 97 percent; and wheat, over 86 percent. Those voting on the Kerr-Smith Tobacco Act voted on the basis of acreage and more than 92 percent of the acreage was voted in favor of continuance of the Act. This was the only program under which voting was on an acreage basis.

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DAIRY PRODUCTS
BIDS REQUESTED

Bids on cheese, butter, and spray process skim milk have been requested by the Agricultural Adjustment Administration. Purchases of the three commodities will be turned over to the Federal Surplus Relief Corporation for distribution to needy families. As in the case of former similar purchases, payment will be made with funds appropriated for the purpose. All products must be of stipulated grade and federally inspected. Bids on American cheese will be opened June 24, the awards to aggregate about one million pounds. All deliveries must be completed before August 1. Bids on butter will be opened June 25. Awards are expected to total about five million pounds. Both fresh butter and storage butter will be purchased. Deliveries of fresh butter will be made at weekly intervals, starting July 1. Prices paid for fresh butter will be based on a differential over market quotations as submitted by the bidder. In the event awards cannot be made for a sufficient amount of butter the Agricultural Adjustment Administration will consider open market buying. Bids on dry skim milk will be opened June 29. Awards totalling about five million pounds are expected. First deliveries are due July 8. Contracts must be completed by September.

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CORN-HOG RULING
ON LAND RENTED

Because of emergency situations in some sections arising from recent adverse weather and other conditions, an administrative ruling has been issued which provides that farmers who have applied for or signed 1935 corn-hog contracts may now arrange - subject to a number of provisions - either to operate additional land not covered by the contractor or to rent out a portion of the land in the farming unit under contract. If a contracting producer finds it necessary because of emergency conditions to rent out a portion of his farm, the new ruling permits him to do so, provided: (1) That within 10 days after he ceases operation of the land, a statement is filed with the county allotment committee giving the names of the parties involved and whether both are contract signers, the specific reasons for the action, and a description of the area dropped; (2) that no hogs are farrowed on the land dropped, and (3) that no corn is planted on the dropped tract if it is to be operated by a non-signer. If the land rented out is to be operated by another contract signer, corn may be planted on it but the originally established corn acreage allotment of both contract signers must remain unchanged. If a contracting producer desires to operate additional land not covered by his 1935 corn-hog contract, the new ruling permits him to make such an arrangement either with another contract signer or with a non-signer. Under the arrangement with a non-signer, the ruling specifies: (1) That no corn is to be planted on the additional tract in 1935 and any corn base on this tract is to be disregarded in determining permissible production; (2) that all hogs farrowed on the additional tract after it was acquired are to be included in the determination of hogs produced from 1935 litters, and (3) that the contract signer operating the land shall file with the county allotment committee within 10 days after beginning operation a signed statement naming the parties involved in the transaction and describing the acreage acquired. Although a contracting producer may, under the new ruling, arrange to lease additional land or rent out a part of his farming unit either before or after he has signed the contract itself, no changes may be made in the contract after the application has been entered on the listing sheet which goes to the State Board of Review for approval.

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SUGAR ENTRIES
WILL BE CHECKED

Beginning June 15, Philippine sugar entering the United States against the 1935 quota under permits issued by the Governor-General of the Philippine Islands will be

weighed and tested for polarization by collectors of customs, the Agricultural Adjustment Administration announced. Instructions to this effect have been transmitted to all collectors of customs by the Commissioner of Customs in Washington. The polariscopic tests indicate the sugar content of the raw sugar. This plan of operation has been found necessary because adequate weighing and testing facilities are not available at all Philippine shipping points. As a result outturn weights and polarization of the sugars entering the United States under the Governor General's permits may be in excess of the amount of 96 degree sugar authorized for entry into continental United States under the provisions of the Jones-Costigan Act and the interests of some producers would be jeopardized to the advantage of other producers. Any excess sugar in shipments over and above the quantity provided in the permit will be held in customs custody and control. The owner or consignees of the excess sugar so entered should request the Governor General of the Philippine Islands to furnish the Sugar Section of the Agricultural Adjustment Administration with a supplementary permit covering the entry of the excess sugar held in customs custody.

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SOUTH BUYS MORE
MANUFACTURED GOODS

Carlot shipments, from 16 northeastern industrial states, of industrial and manufactured commodities for use generally in industry, in homes and on farms in 10 states of the agricultural Southwest, were 31.3 percent higher in the year ending June 30, 1934, than in the year ending June 30, 1933, according to a study made by the Agricultural Adjustment Administration. Figures showing increases in shipment of commodities to the Southeast, for other than general uses, have already been announced by the Agricultural Adjustment Administration. Shipments of all industrial and manufactured products increased 38.8 percent. Information on which the study is based was obtained by examining waybills of carlot shipments of goods into the Southeast over four important railroads. The waybills examined represented more than 95 percent of the total weight of all shipments delivered in the Southeast by the four railroads. The shipments originated on 139 railroads operating in the Northeast. The study of waybills covered interstate commerce between the two regions for two successive periods of one year each. The first year, ending June 30, 1933, preceded the actual launching of the agricultural adjustment and other recovery programs. The second year, ending June 30, 1934, covered a period when the results from these programs had begun to be felt. In the Southeast, the Agricultural Adjustment Administration had in operation adjustment programs for cotton and tobacco. During the first year in which these adjustment programs were in operation, the cash income of farmers in that region increased 59.9 percent. Automobiles and automobile parts and accessories were among the commodities shipped to the Southeast which reflected the improved financial status of agriculture in that region. The study shows that in the first year in which the effects of the recovery program had begun to be felt, shipments of automobiles, automobile parts and accessories increased 63 percent, from 267,317,944 pounds in the year June 30, 1933, to 435,672,725 pounds in the year ending June 30, 1934. Shipments of trucks from the 16 northeastern industrial states to the Southeast, increased by 9.1 percent, from 5,535,934 pounds to 6,041,306 pounds.

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SUGAR TAX FUNDS
SET ASIDE FOR HAWAII

A separate fund of \$500,000 derived from sugar processing tax proceeds has been established for the Territory of Hawaii by proclamation of the President dated June 7.

Under the terms of the Jones-Costigan Act and the Emergency Relief Appropriation Act of 1935, this fund may, with the approval of the President, be used and expended for the benefit of agriculture and other purposes, including general expenditures under the Relief Act in the Territory of Hawaii.

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TOPEKA MILK
LICENSE AMENDED

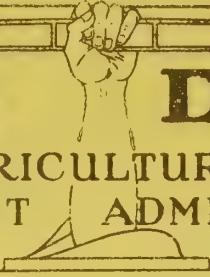
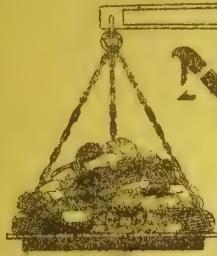
An amendment to the Topeka, Kan., milk license became effective June 14. Only two important modifications of the license are contained in the amendment. The first

obligates distributors to pay 50 cents per pound of butterfat for all milk used in Class 1 sales instead of 60 cents per pound as before. Increased production and a decline in the butter market are the chief reasons for making the change in price. The second modification gives producers new advantages by providing that hereafter all sales of sweet cream will be included in Class 1 or fluid milk sales for purposes of payment to producers. Sweet cream was formerly in Class 2.

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NEWS DIGEST

AGRICULTURAL
ADJUSTMENT ADMINISTRATION



VOLUME 2, NUMBER 38

June 22, 1935

MORE THAN 1,000,000 CORN-HOG CONTRACTS

More than a million contracts are being completed for signature by farmers who wish to participate in the 1935 corn and hog production adjustment program. Re-

ports from state statisticians in each of the 48 States on June 10 indicate that 1,032,500 contracts are in some stage of preparation for the final signature of applicants. This total is approximately 10 percent less than the 1,155,000 contracts signed in 1934, partly because some small operators have dropped out and partly because land covered by two or more contracts in 1934 is being covered by one contract this year. The decrease in number of contracts, however, has not materially affected the total corn acreage covered by the adjustment program. The 1932-1933 base corn acreage covered by 1935 contracts will approximate 53,580,000 acres as compared with 55,310,000 last year. If all reported contracts receive final approval, nearly 12 million acres will be withheld from corn production by farmers cooperating in the 1935 program. This represents slightly more than 22 percent of the signers' total annual corn acreage for the base years. The average appraised yield for the acres shifted from corn is estimated at 27.2 bushels. In 1934, a total of 13,030,000 acres were held out of corn, representing 23.6 percent of the signers' aggregate base corn acreage. Though the minimum reduction required in corn acreage adjustment is only 10 percent as compared with 20 percent last year, cooperating farmers are holding nearly the same amount of corn out of production this year because of the great decrease in livestock numbers and because of a desire for ample crop income insurance. If weather conditions during the remainder of the growing season are near normal, corn production this year is expected to be sufficient to meet all needs of the present reduced numbers of livestock and provide an ample margin for rebuilding reserves depleted by the drought. According to preliminary estimates, benefit payments will be made under the 1935 program on about 4,800,000 hogs. Each contract signer pledged to hold his 1935 market hog production 10 percent under his 1932-1933 average. The signers' total hog adjustment under contract represents less than 7 percent of the annual hog production in the United States in 1932 and 1933, as compared with nearly 20 percent last year when contracting farmers reduced their market hog production by 25 percent. Rental and benefit payments to cooperating farmers under the 1935 program will total approximately \$186,000,000, it is estimated. Nearly one-half will be paid farmers in the initial instalment upon acceptance of the new contracts. The first 1935 payment, representing \$7.50 per head on the adjustment of 10 percent in hog production and 15 cents per bushel on the production estimated for the acreage retired from corn production, will amount to about \$84,850,000. Disbursement is expected to begin about the middle of July. The second and final payment due under the 1935 contract, totalling approximately \$101,133,000, is to be sent to cooperating farmers as soon after January 1, 1936 as possible. This instalment will cover the balance of \$7.50 per head in the hog adjustment and 20 cents per bushel of corn, less the prorated share of local administrative expenses.

MAY USE RENTED ACRES
FOR SHELTERBELT PLAN

Completion of an agreement through which the Forest Service in its shelterbelt program may use acres taken out of basic crop production under Adjustment contracts is announced by the Agricultural Adjustment Administration. Contract signers would continue to receive, for the duration of the contract, regular rental payments for any land thus taken over. The agreement is permissive only. The Forest Service would use only acres adapted to its shelterbelt project. Farmers will be at liberty to accept or reject the offers of the Forest Service. The shelterbelt zone is about 100 miles wide. Starting at the Canadian border it runs southward about 1,100 miles, through North Dakota, South Dakota, Nebraska, Kansas, Oklahoma, and Texas. In summer, hot, dry winds blow from south to north through the zone, drawing surface moisture from the soil. In winter cold winds come down from the north. The main object of the shelterbelt project is to check the sweep of these winds and conserve soil moisture. Tree planting also will help to prevent soil erosion and will meet human needs for shade and protection. The agreement provides not only that the Forest Service, with the consent of signers of adjustment contracts, may use for shelterbelt planting rented acreage retired from basic crop production but also that in some cases changes in the actual tracts taken out of production will be approved so that the Forest Service may obtain land more suitable than the acres originally retired. For the duration of the Adjustment contract, landowners would continue to receive rental payments on areas taken over by the Forest Service, but would receive no extra rental from the Forest Service. The Forest Service would fence the land, supply trees, plant and maintain them. In taking over the land it would make lease-option agreements to insure control of the land by the Forest Service after expiration of the crop adjustment contract, and to provide for purchase at a stipulated price at a time selected by the Government. The second phase of the project is farmstead planting, which provides for small woodlots and for trees around farm buildings. It would affect a minimum of 900,000 acres. The Forest Service would agree to supply the trees and plant them. The landowner would agree to keep cattle out and otherwise maintain the new woodland. He would receive rental payments, as in the case of strip planting on acres covered by production adjustment contracts. There would be no provisions for a continuing Forest Service control of farmstead woodlots, or for eventual purchase.

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BANKHEAD GINNING
TAX ESTABLISHED

The Agricultural Adjustment Administration announced that 12 cents per pound has been determined as the average price of lint cotton on the 10 designated spot cotton markets for a representative period, as the base for determining the rate of the tax on the ginning of cotton under the Bankhead Act. This determination by the Secretary, under the Act, automatically fixes the tax itself at 6 cents per pound. The determination proclaimed and in effect for the 1934-35 cotton season was 11.34 cents a pound, with the tax at 5.67 cents a pound. Under the Act, the average central market price per pound of basis 7/8 inch middling spot cotton on the 10 designated spot markets constitutes the base for computation of the tax levied on the ginning of cotton in excess of the producer's allotment of tax-free cotton. A total of 10,500,000 bales (500 pounds net weight each) of tax-exempt cotton for the current year already has been allotted to producing States. The Act fixes the rate of the tax at 50 percent of the proclaimed price, but in no event at less than 5 cents per pound. The price proclaimed by the Secretary, to be used under the Act as a base until a different market price shall be determined and proclaimed, was certified as the average central market price over a representative period for 7/8 inch middling spot cotton on the following markets designed under the Cotton Futures Act: Augusta and Savannah, Ga.; Dallas, Houston and Galveston, Texas; Little Rock, Ark.; Memphis, Tenn.; Montgomery, Ala.; New Orleans, La.; and Norfolk, Va. The ginning tax is collected under the direction of the Bureau of Internal Revenue.

FIRST WHEAT PROGRAM
OPERATED AT LOW COST

The average cost to cooperating farmers for the local administration of the wheat adjustment program during the first year of its operation was 1.42 cents per bushel of the farmers' allotments, the Agricultural Adjustment Administration announced. The average costs are shown in a national compilation of county wheat association expenses which has been completed by the Adjustment Administration. The average cost of 1.42 cents per allotted bushel compares with adjustment payments received by farmers amounting to 29 cents per bushel. The expenditures are those made by farmers during the fiscal year 1933-34 in administering the wheat program through their local county wheat associations. These payments have been made by the farmers through deductions from their adjustment payments. When the program was first offered to farmers, it was estimated that the program would cost approximately 2 cents a bushel, and the program was offered to farmers, and accepted by them, on that basis. The expenses covered by the deduction cover the entire local cost of organizing the county wheat associations, the expenses of the first year's inspection and the general operating expenses for the first year. These deductions made to cover expenses incurred by farmers in administering the local phases of their program totaled approximately \$4,760,426 for the 37 states in which the wheat program is in effect. They have been paid out of the first year's benefit payments, which totaled approximately \$98,000,000. Practically all of the expenditures in local administration of the wheat associations have been within the counties themselves. In most counties the major item is salaries paid to county and community committeemen, all of whom are farmers within the county. Money paid to them has been in remuneration for the time which they have taken from their farm work.

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MORE SEED ALLOTTED
FOR DROUGHT AREA USE

The Seed Conservation Committee has turned over to the Soil Conservation Service upwards of 600,000 pounds of hegari and dwarf milo seed, the Agricultural Adjustment Administration announced. The seed will be used for strip planting in dust-blown drought sections of Texas, Oklahoma and Kansas. The Soil Conservation Service will distribute the seed in designated areas to cooperating farmers who agree to plant vacant acres and to leave a high stubble to provide cover for the land. Planting is expected not only to conserve the acreage planted, but to protect crops in nearby fields from blowing soil. The seed transfer is the second within a short time. A few days ago the Seed Conservation Committee gave the Soil Conservation Service seed for emergency use in Texas, Colorado and South Dakota. The seed turned over by the committee is part of the supply of tested adapted seed purchased when there was fear that drought would cause a shortage of proper seed for planting in the dry area. Such seed has been sold in areas where it was needed, and where regular commercial channels could not supply it. The seed was bought with funds granted by Congress to the Agricultural Adjustment Administration for that particular purpose. By now the advisability of holding the hegari and dwarf milo seed for regular crop planting appears to have passed. The remaining hegari and milo therefore was designated as surplus, and as such was turned over to the Soil Conservation Service of the United States Department of Agriculture for use in cooperation with farmers in the drought area of the Southwest. It will be used to control losses from wind blowing and to provide additional forage.

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FLORIDA CELERY
PACT EXTENDED

An amendment to the marketing agreement for the Florida Celery Industry changing the termination date of the agreement from July 1, 1935, to December 1, 1935, has been approved, and became effective June 20. The chief purpose of the amendment will be to keep intact the administrative organization of the Florida celery program during the months covered by the period of extension.

FORT WAYNE MILK
PRICE INCREASED

An amended license for the Fort Wayne, Ind., milk sales area became effective June 19. In addition to its being redrafted to conform to the improved standard, the amended license provides an increase in the purchase price of Class 1 milk testing 4 percent butterfat from \$1.85 per hundredweight to \$2 per hundredweight, f.o.b. the plants in the sales area. No change is made in the established minimum basis for payment to producers on Class 2 milk used for cream, or Class 3 milk, which is milk not used in any of the other three classes. A new classification, to be known as Class 4, to include milk used for making butter, is included in the amended license for the first time. According to the schedule, milk in this class will be paid for per hundredweight by multiplying the average price of Chicago 92 score wholesale butter by four and then adding 10 cents.

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LEAVENWORTH MILK
LICENSE AMENDED

Changes in the terms and provisions of the Leavenworth, Kan., milk license are included in an amended license which became effective June 20. Distributors are obliged to pay 50 cents per pound of butterfat in Class I milk instead of 60 cents per pound as set forth in the original license. All milk used to produce sweet cream for the market must be included in Class I or fluid milk classification. This will be of advantage to producers. Another provision establishes the price for Class 3 milk on the basis of Chicago 90 score wholesale butter quotations plus two cents per pound of butterfat, instead of using the former 92 score butter price in determining the value of such milk. The amended license provides that the uniform deduction payable to the market administrator for the performance of general services to producers be increased from 3 cents to 5 cents per hundredweight of milk delivered.

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LINCOLN MILK
LICENSE AMENDED

An amended license for the Lincoln, Neb., milk sales area became effective June 19. Introduction of the base-surplus method of payment to producers to encourage more even deliveries, creation of a new fourth class for milk used in making butter or cheddar cheese, and a slight reduction in the Class 1 milk price payable to producers, are the leading modifications of the amended license. Class I milk is listed in the amended license at 50 cents per pound of butterfat, a reduction of 4 cents per pound of butterfat from the former price.

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MILK PRICE CHANGE
IN SAN DIEGO LICENSE

An amended license for the San Diego, Calif., milk sales area became effective June 19. It contains the following changes: First, reduction of Class I price from 67 cents to 64 cents per pounds of butterfat; second, the subjection of emergency milk to the same deductions as that of the regular milk of local producers; third, an alteration in the base-transfer rules, which permits the transfer of entire herds to other persons, whether producers or otherwise, and, the transfer of pro rata shares of a producer's base upon the sale and delivery of at least ten cows; and fourth, the elimination of the resale schedule from the license.

HEARINGS SET FOR THREE
CALIF. RAISIN COMPANIES

Hearings have been scheduled in the cases of three California companies charged with violating terms of the license for handlers of raisins produced in California. The hearings are to be in the Holland building, Fresno, Calif., at 10 A.M. on June 25, 26, and 27. The Pacific Rasin Company, of Fowler, Calif., and the Federal Fruit Distributors Company and the Vagim Packing Company, both of Fresno, Calif., have received orders to show cause why their licenses should not be revoked or suspended. Charges against the three companies include: Failure to turn over to the industry's control board the stipulated control percentage of raisins; failure to turn over grower control-assessments and to pay the packer control-assessments required by the license; failure to give the control board proper information, including reports on acquisition of raisins; and failure to pay growers the minimum price required.

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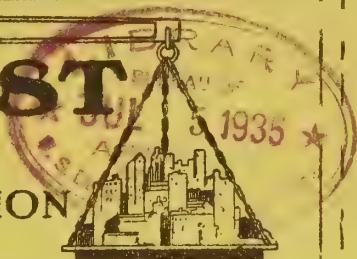
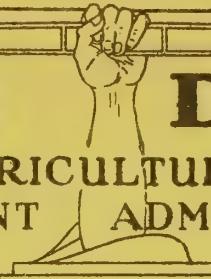
SURPLUS EMERGENCY SEED
TO RELIEF, CONSERVATION

With planting requirements amply met, remaining reserves of the Government's emergency drought seed supply have been transferred from the Seed Conservation Committee to the Federal Emergency Relief Administration and the Soil Conservation Service of the Department of Agriculture, the Agricultural Adjustment Administration announced. Before the transfer the Seed Conservation Committee had sold to farmers in the former drought area enough seed to plant more than 4,000,000 acres this spring. This seed insured farmers against shortage of seed in localities where the supply conserved by the Federal Government was needed to supplement seed available from growers and through regular trade channels. The committee's total sales to farmers thus far reported, include about 1,700,000 bushels of seed wheat, 2,850,000 bushels of seed oats, 600,000 bushels of malting barley, 175,000 bushels of feed barley seed, 100,000 bushels of seed flax and 1,000,000 pounds of grain sorghum seeds. These figures will not be complete until final reports are in from more than 2,000 bonded agents who have handled the Committee's seed sales in the drought area. Officials estimate that enough high quality seed from the Government's emergency supply has been planted to produce between 60,000,000 and 80,000,000 bushels of seed grain. This supply, plus certified seed produced in 1935, is considered ample to protect the Northwest and other parts of the drought area from any shortage. The seed has been accepted by the FERA and will be distributed by the relief agency for use both as seed and feed.

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NEWS DIGEST

AGRICULTURAL
ADJUSTMENT ADMINISTRATION



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RYE GROWERS TO DISCUSS ADJUSTMENT PROGRAM

Representative growers from the 16 important rye producing states will meet with Agricultural Adjustment Administration officials at Washington, July 3, to consider a rye adjustment program. The states to be represented at the meeting are Illinois, Indiana, Kansas, Michigan, Minnesota, Missouri, Montana, Nebraska, North Dakota, South Dakota, Ohio, Pennsylvania, New York, New Jersey, Wisconsin and Iowa. These states produce about 90 percent of the rye produced in the United States. It was pointed out that suggestions for a rye program are coming from many sections of the country because of the probability of an increased rye acreage in the near future which would be too great for prospective demand and result in a serious price situation. A number of the suggested programs propose the levying of a processing tax on rye and formulation of an adjustment program similar to that in effect for wheat. Although production of rye in this country last year was only 16,040,000 bushels, this year's indicated production, as estimated by the Crop Reporting Board as of June 1, is 44,031,000 bushels. The 5-year average (1928-1932) production is 38,655,000 bushels. The prospective production this year has only been exceeded twice in the last ten years, in 1927 and 1930. Last year's drought was particularly serious in a number of the rye states, resulting in a greatly reduced production, high domestic prices and greater than usual imports. It is this situation which growers fear will lead to an over-stimulation in rye production.

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GROWERS TO CONFER ON NEW WHEAT PLANS

Producer-representatives from wheat producing states will confer in Washington on July 1 and 2 with officials of the Agricultural Adjustment Administration on the

1936-39 adjustment contract for wheat. This conference follows the referendum held by wheat producers on May 25 in which they voted 404,417 to 63,303 for a continuation of production adjustment for their commodity. In addition to the proposals by the producers who will attend the forthcoming meeting, suggestions made by wheat production control associations and by other groups and interested individuals will be discussed in shaping the new program.

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LOUISIANA SUGARCANE CONFERENCE CALLED

A meeting of Louisiana sugarcane growers, processors, and representatives of the sugar section of the Agricultural Adjustment Administration will be held July 6, at

Louisiana State University, Baton Rouge, La. The purpose of the meeting is to gather information which will assist the Secretary of Agriculture to carry out his function under the section of the Louisiana sugarcane production adjustment contract which relates to the price to be paid for cane of the 1935 crop. That section provides that the Secretary shall determine what shall be fair prices for cane purchased from growers by processors who are signatories to production adjustment contracts. The 1934 sugarcane purchase contract as adopted by processors and growers provided for a scale of prices which varied according to both the amount of sucrose in the juice of the cane and the market price of raw sugar.

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WIDESPREAD FLOOD DAMAGE
SHOWN BY CROP SURVEY

Floods in the Mississippi valley have damaged crops in more than 123 counties in five states, a preliminary and partial survey by the Agricultural Adjustment Administration disclosed. The five states where damage has been listed by counties are Missouri, Arkansas, Colorado, Illinois and Kansas. Flood damage reports also have been received from Oklahoma and Nebraska, but figures by counties were not given. The Missouri flood area reported the highest percentage of crop loss - 19 percent of the wheat crop and 9 percent of the corn crop. In six of the seven states wheat or corn were the chief crops damaged. Reports from 28 counties in Arkansas show that 378,300 acres of crops have been flooded. Of these, 157,250 were planted to cotton. Estimates for the whole state indicate that half a million acres have been destroyed, including 200,000 acres of cotton. No corn had been planted in most areas when high water came. But since planting was delayed and late corn has less chance of maturing, some undetermined damage to corn can be attributed to floods. Loss through floods will cause no reduction in benefit payments to signers of crop adjustment contracts, the Agricultural Adjustment Administration pointed out. In the case of cotton, contract signers will receive not only the usual rental payments and parity payments, but also their allotted quantity of Bankhead Act tax-exemption certificates. Non-signers also, will get their quota of tax exemption certificates. Thus the adjustment programs of the Adjustment Administration have crop insurance features which operate to compensate to some extent for any crop damage, whether flood, drought or from any other cause. Although flood damage has been heavy in areas bordering on rivers, it cannot be compared in severity to 1934 losses from drought.

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CORN CONTRACT OPTION
TO MEET FLOOD DAMAGE

Corn-hog contract signers seriously affected by recent flood conditions and who are now making late plantings of corn have been given the option of either complying with their acreage allotments under the 1935 contract and receiving adjustment payments or withdrawing entirely from their contracts. Farmers in the flood areas who elect to complete their 1935 contracts must limit their corn acreage to the provisions in their individual contracts, but the adjustment payments they will receive under the contract will serve as crop insurance, offsetting, at least in some measure, the damage and delay caused by recent floods, it was pointed out. The option of withdrawing from the contracts was granted to accommodate producers farming river valley land who wish to make unlimited late plantings of corn in excess of their contract provisions. The six states hardest hit by the recent flood waters are Nebraska, Kansas, Missouri, Colorado, Oklahoma and Arkansas. Recently, the corn-hog section also ruled that farmers who have applied for or signed a 1935 corn-hog contract may arrange to rent out a portion of their farming unit under contract or to operate additional land not under contract to meet emergency conditions such as floods, sickness or loss of work stock.

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WOOL AND MOHAIR LICENSE
HEARINGS ARE POSTPONED

A scheduled series of public hearings on a proposed license for dealers in wool and mohair has been postponed, the Agricultural Adjustment Administration announced. The movement for a license which concerned only fair trade practices and charges had been initiated by growers of wool and mohair. The Administration had announced a series of hearings to be held between the dates of July 2 and August 6. Action on the proposal now has been deferred until final Congressional action on proposed amendments to the Agricultural Adjustment Act establishes the status of wool and mohair under the Act.

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MINIMUM 1935 PRICES
FOR CALIFORNIA RAISINS

Minimum prices to growers and reserve percentages applicable to the 1935 raisin crop under the terms of the marketing agreement and license for raisins produced in California have been approved. Minimum prices to be paid producers for the 1935 crop will be \$70 a ton for Thompson seedless raisins, \$65 a ton for Sultanas and \$60 a ton for Muscats. These are the same minimum prices which have been in effect for the 1934 crop. The 1935 reserve percentage for each of these varieties has been fixed at 25 percent, compared with 15 percent for the 1934 crop. The minimum prices are applicable to the "free percentage" or that portion of the raisins acquired by packers from producers which are immediately available for use by the packers. The reserve percentage of the raisins acquired by packers is turned over to the control board and is temporarily withheld from regular marketing channels. The board disposes of the reserve tonnage for the account of the growers, either by selling them to packers when market conditions justify such disposition or by diverting them to by-product channels.

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SUGAR REGULATION SETS
TAX EXEMPTION DATE

The Agricultural Adjustment Administration announced the approval of Sugar Regulations, Series 1, No. 2 Revised, which establishes March 4, 1935, as the effective date for the exemption from the payment of sugar processing tax on molasses and sirups made from contract sugarcane under adjustment contracts, if such products are not used for human consumption or the extraction of sugar, but are used for livestock feedstuffs or for distillation purposes. The effective date, March 4, 1935, is the same date on which Puerto Rico Administrative Ruling No. 1 was issued by the Secretary of Agriculture, which ruling made possible the conversion of contracted cane into molasses for livestock feedstuffs or distillation purposes. A similar ruling exists for the Philippines.

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TOBACCO GROWERS VOTE
ON ADJUSTMENT PLANS

Referenda will be conducted during July to determine whether growers of Burley, fire-cured and dark air-cured tobacco favor production adjustment programs to follow the present programs which expire with the 1935 crop. This decision was reached after conferences with growers' advisory committees. Burley tobacco is grown chiefly in Kentucky, Tennessee, Virginia, West Virginia, Ohio, Indiana, Missouri, and North Carolina. Fire-cured tobacco is grown in Kentucky, Tennessee, and Virginia. Dark air-cured tobacco is grown in Kentucky, Tennessee, Virginia, and Indiana. Announcement previously has been made of a similar referendum which is now being conducted among flue-cured growers of North Carolina, South Carolina, Virginia, Georgia, and Florida. June 29 is the final day for voting in the flue-cured referendum. Persons eligible to vote in these referenda include all share-tenants, share-croppers, renters, and landowners who are engaged in the production of one or more of these types of tobacco regardless of whether they have signed adjustment contracts. The ballots will carry the question: "Are you in favor of a tobacco production adjustment program to follow the present one which expires with the 1935 crop year?" While the details of the 1936 program, should one be favored, have not yet been definitely formulated, each ballot has printed on the back an outline of the principal features under consideration for possible incorporation in a new program. These features include: (1) Use of the previously established base, except when it is clearly evident that such a base is exceptionally high or low as compared with the base of other farms similarly situated, in which cases an effort will be made to eliminate the inequalities by minor upward or downward adjustment. (2) Maintaining production at a level sufficiently below consumption to reduce surplus stocks with the rate of reduction from the base not to exceed 50 percent in the case of Burley, and 40 percent in the cases of other types. (3) Payments at such rates as would tend to maintain producers' income from tobacco at a level equal to the fair exchange value for the domestically consumed portion of the crop.

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BUTTER AND CHEESE
PURCHASES STARTED

A total of 3,284,500 pounds of Government purchases of fresh butter were awarded to six different concerns and 500,000 pounds of Cheddar cheese, twin style, were

awarded to one firm by the Agricultural Adjustment Administration committee after final conference on bids submitted this week. The bids on cheese were not satisfactory except in the one instance, as the differentials named were deemed too high. Further purchases will probably be made of both butter and cheese, either on bids or on the open market. Only a small portion of the 3,284,500 pounds of butter was lower than 92 score and none of it was lower than 90 score. The weekly average deliveries accepted amount to 656,900 pounds. Firms from whom the butter will be bought, with differentials ranging from eighteen one-hundredths of one cent to seventy-four one hundredths of one cent per pound over and above the outside quotations for fresh butter on the New York and Chicago markets as established by the Bureau of Agricultural Economics are as follows: Dairy & Poultry Cooperative Inc., New York; Zenith-Godley Co. Inc., New York; Merchantile Butter and Egg Co., Inc., New York; S. & W. Waldbaum Inc., New York; National Butter Company of Iowa, Dubuque, Ia. with Chicago and New York delivery; Modern Butter and Egg. Corp., New York. Pauly & Pauly Cheese Company, Manitowoc, Wisconsin, with a bid of one and three-eights cents over the weekly average Plymouth price per pound of No. 1 grade twin Cheddar cheese for the week of delivery as published by the Bureau of Agricultural Economics, was the only successful bidder in this first bid opening of the season. All butter and cheese will be turned over to the Federal Surplus Relief Corporation for distribution to the unemployed.

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ILLINOIS MILK
LICENSE TERMINATED

The termination of the inoperative milk license for Southern Illinois was announced by the Agricultural Adjustment Administration, effective June 25. The license

was originally requested by producers in the summer of 1934 and its effective operation was held up by a restraining order issued in District Federal Court, which prevented use of the license in the area. The present termination therefore has no significance in relation to present conditions on the market, or the program of Agricultural Adjustment Administration in regard to other existing licenses.

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AMENDED MILK LICENSE
FOR KANSAS CITY, MO.

An amended license for the milk sales area of Kansas City, Mo., will become effective July 1. The principal changes in the terms of the license effect the

sales area and the relationship of producers who bottle and distribute their own milk. There are no specific changes made in the minimum schedule of prices payable to producers by distributors. The sales area is restricted in the amended license to the corporate limits of Kansas City, Mo. To enable distributors to meet competition from uninspected milk in outlying districts, the amended license allows the market administrator to make adjustments in cost to them on all milk sold outside the sales area in Classes 1 and 2. Farmers who bottle raw milk and sell it to processors for distribution are left in the classification of original producers by the terms of the amended license. All milk produced for direct sale by producer-distributors is excluded from the computations required in the general pool account, with the option given them to report and account to the pool if they desire. Distributors are required to establish financial responsibility by furnishing bond or other adequate security equal to the value of milk they buy from producers during any one delivery period.

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